Featuring The Grain Trade of Canada

Mining News; 17-22

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The Nation's Business

Larkin Refuses to Show Canadian Goods at Fair

Pacific Cable Deficits to Grow

Immigration and Voluntary Agencies

AS MYSTERIOUS as it is surprising, is the intelligence from London that Hon. P. C. Larkin, Canadian High Commissioner, has turned down the offer of the Empire Marketing Board to show Canadian products in the Board's display at the forthcoming British Industries Fair, the most important annual fair in the British Isles.

This is in line with Mr. Larkin's indicated policy. Either through failure to appreciate the value of such displays, through indifference, through hostility to British governmental bodies or upon instructions from Ottawa, Mr. Larkin has steadfastly refused to co-operate with the Empire Marketing Board.

* * *

THE Empire Marketing Board buys space at exhibitions, arranges Empire displays and advertises them. It does all the work and pays all the expense, and only asks the Dominions to contribute the products and other materials for the display. It is such a generous offer as this, made on behalf of the British people, who have put up a million pounds of their own money to finance the work of the board, that Canada spurns so ungraciously.

Canada cannot expect to stem the tide of popularity that is rolling the British products of other British Dominions shoreward in Britain, unless it shows a less suspicious attitude towards British co-operation in the sale of Canadian products in Britain, and adopts a policy of co-operation with the Empire Marketing Board.

* * *

THE FINANCIAL POST has given repeated examples of Mr. Larkin's unwise course in this regard and again calls upon the government at Ottawa to give its representative in London instructions to climb off his high anti-British horse. In the ultimate analysis, Ottawa must accept responsibility for the London policy.

Further, let us repeat that the whole question of Canada's participation in exhibitions, of the advertising of Canadian goods abroad and of extending export trade generally should be taken out of the hands of the high commissioner in London and his seniors in Canada, and placed where it belongs, under the jurisdiction of the Minister of Trade and Commerce. Were Mr. Malcolm offered the opportunity of displaying Canadian products in the Empire Marketing Board's display at the British Industries Fair, he would grasp it at once and attempt, in friendly contest with the other Dominions, to make Canada's exhibit the outstanding display.

* * *

CANADA is probably faced with the prospect of annually increasing deficits in the operation of the Pacific Cable, an enterprise in which it is a partner with Great Britain and Australasia.

Canada has paid for losses on this cable in the past. From 1905 to 1915 the cable lost about $3,466,000, of which Canada paid nearly $1,000,000. From 1915 on, the cable earned large profits and piled up a reserve of $11,000,000, of which Canada's share was over $3,000,000. But Canada did not get its share of these surpluses. Instead, the board, without Canada's consent, and in defiance of its powers, decided to spend the accumulated surplus on duplicating the cable at a cost of $12,000,000. This decision was arrived at without investigation of the wireless beam system. Having the money to spend, the board felt entitled to spend it.

The cable was duplicated. Now the board forecasts a deficit of $450,000 for the year. The deficit will likely be large. Succeeding years may see the deficit grow. It is not a pleasant prospect, this product of Colonial office bureaucracy's disregard of Canadian protests.

* * *

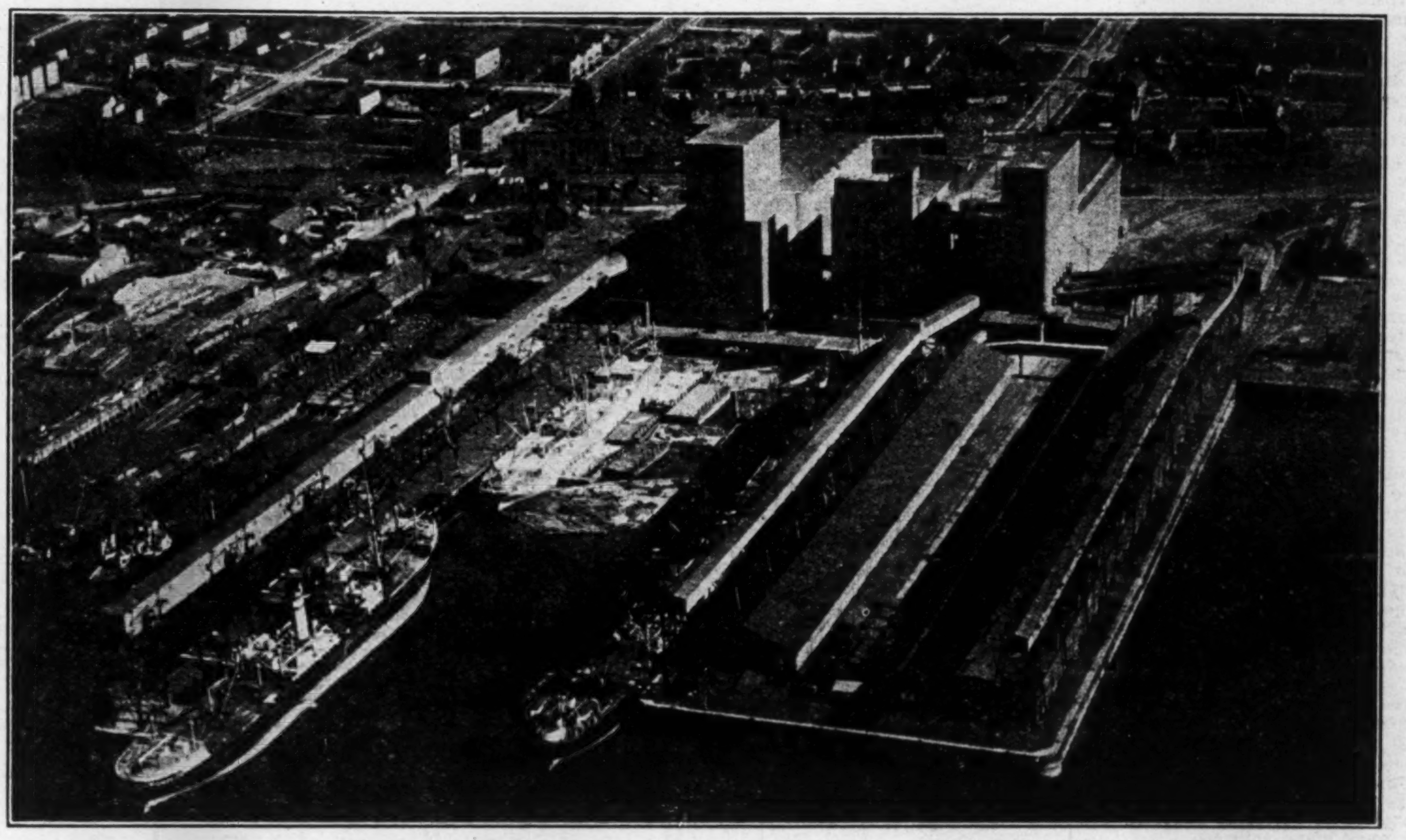
AN ARTICLE in the Melbourne Herald, of November 10, says "that there are signs that British folk show preference for Australia.

"For many years, Canada, by the lure of free lands in the great wheat belt of the northwest, attracted large members of the British migrants. At the present time, however, the movement into Canada is far below the prewar days, especially the percentage of British migrants, and these facts taken with the up-grade movement of British migrants to Australia, may perhaps be straws showing which way the wind blows."

The Toronto Star quotes the article with the headline, "British settlers prefer Australia."

Informed immigration authorities, however, declare that British immigration does prefer Canada, under present conditions. The article was based upon the sailing of the S.S. Vedie, from Liverpool, carrying 700 migrants to Australia. A high official of the Salvation Army, which conducted the party, is authority for the statement that the diversion of this party to Australia came about largely because of the restrictions imposed on British migrants by the Canadian authorities. The Canadian Government has promised to lift restrictions on Canadian immigrants. At the same time it says, in effect, that it will not co-operate with voluntary agencies. Rather than scrap existing machinery, these agencies will carry on by themselves. The failure to recognize their value is likely to lead to further diversions to Australia.

Vancouver Reaches Out for Grain Shipments This Year



Vancouver hopes to set a new record in grain handling this year. Photograph shows Vancouver terminal plant of Alberta Pacific Grain Company. In this issue, thirty-eight pages are devoted to telling the story of the grain trade of Canada.

AUSTRALIA RAISES RATES ON CHASSIS FROM DOMINION

Federal Dept. of Trade and Commerce Wants $10,000,000 Additional Revenue

From Our Own Correspondent

OTTAWA.—The Australian government, according to advices received by the Federal department of Trade and commerce, has raised the treaty rates on Canadian chassis in an effort to obtain $10,000,000 per year additional revenue.

This money, when received, is to be turned over to the State governments in Australia for the construction of roads.

Automobile dealers in Australia have notified Canadian manufacturers that if the additional duty is added to the price it will amount to between $15 and $20 per chassis for a small car, and from $75 to $90 on a large car. If prices are increased to this extent, they state, the scale of Canadian made cars will be eliminated practically.

It is suggested, therefore, that Canadian manufacturers absorb the increase in duties, permitting sales to be made on the prices which obtained before the increase in duties was authorized.

SUCCESSFUL YEAR IS LATEST REPORT OF DOMINION GLASS

From Our Own Correspondent

MONTREAL.—It is stated that the Dominion Glass Company completed on September 30 last one of the most successful years in its history.

No official confirmation is yet obtainable, it is said that earnings of the company will amount to $382,500, which would mean earnings of approximately $9 a share on the 42,500 shares of the common stock outstanding. This would mean the highest earnings since 1924, when they were $9.44. Earnings last year amounted to $7.28 and in 1925 to $6.

Although the gross earnings of the past year are not so high as in 1924, yet the total operating profits are ahead of all previous figures; the net profits have been reduced by the conservative policy followed by the directors in writing off large sums to depreciation and further reducing the good-will asset.

The report will show the company in a strong liquid position and with a substantial increase in current assets which, in 1926, amounted to $3,040,728. Good-will account was written down $458,000 to $3,156,920 last year. It is said that a further substantial reduction will be made in this item of this year's balance sheet.

Canada Spurns Chance to Display Her Products

Special Correspondence

LONDON.—The Financial Post's correspondent learns that Hon. P. C. Larkin, Canadian High Commissioner, has given a definite "No" to the proposal that Canada shall participate in the Empire Marketing Board's display at the British Industries Fair, White City, London, from February 20 to March 2 next year. It appears, therefore, that there has been no change in the policy of the High Commissioner and the Canadian government, which has been to withhold its co-operation with this agency for promoting the sale of empire produce in Britain.

A special Canadian section, entirely separate from the Empire Marketing Board, will be staged, however, in the main body of the building. This section has been organized by the Canadian Chamber of Commerce in London.

Public Pronouncement is Said to be Imminent on St. Lawrence Scheme

Waterways Project is Likely to Become Live Political Issue When Premier King Replaces Present Chairman of National Advisory Council

From Our Own Correspondent

OTTAWA.—When the impending change in the championship of the National Advisory Council is brought about, whereby Hon. W. L. MacKenzie King will replace Hon. Charles A. Dunning, the Greater St. Lawrence Waterways project will become a live political issue in Canada.

For the past year, the St. Lawrence proposition has been looming up. To begin with the joint engineering board of Canadian and United States engineers reported to both governments, making recommendations as to the method of construction. Then, last July, the United States government invited the Canadian government to commence the work forthwith. Mr. King replied that the Dominion was not yet ready for action, but required further time to study the details.

Public Pronouncement

The long period of obscurity, however, when the project was tucked away in a government pigeon hole, is past and there will have to be a public pronouncement by the Canadian government within the next few months as to when and how Canada will undertake the work.

The government, aware of this, is doing considerable investigating upon the point as to whether it should be a national or international proposition. At the Winnipeg convention, the Conservative party declared that, "This convention is of the opinion that the St. Lawrence canal system as an all-Canadian project should be developed in the national interest and when conditions warrant."

There are, however, a number of treaties between Canada and the United States which deal with canal development and the building of dams on international waterways and other streams arising out of or flowing into international waters. It must not be forgotten that the plans of the Canadian engineers who reported one year ago carried the canal through almost 115 miles of international river-way from the outlet of Lake Ontario to the point where the river ceases to be the boundary line. From this point to Montreal is only 68 miles, although, of course, it will be here that the heaviest construction work will have to be done.

At the request of the cabinet, the legal advisers of the various departments concerned have been instructed to go into the treaty obligations of the Dominion, to see if the all-Canadian end of the waterways could be canalized as a national undertaking. In so far as the international stretch of the stream is concerned, these advisers already have declared that no development could take place without the consent of the United States, which enjoys equal rights over the river with Canada.

There are two treaties which give to the United States special rights on the lower, or all-Canadian stretch of the river. The first was entered into in 1871 and is known as the Washington treaty. Section 26 thereof, reads as follows:

> "The navigation of the River St. Lawrence, ascending and descending from the 45th parallel of north latitude, where it ceases to form the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States, subject to any laws and regulations of Great Britain or the Dominion of Canada not inconsistent with such privilege of free navigation."

It is the opinion of some of the counsel in the government service that the phrase, "shall forever remain free and open," gives to the Republic certain rights to be a party to the construction of dams or other obstructions which might be necessary for the creation of power, without which, the canalizing of the river would be impracticable.

The second treaty, entered into in 1909, is much more explicit in its language. Section four, reads:

> "The contracting parties will not permit the construction or maintenance on their respective sides of the boundary of any remedial or protective works or any dams or other obstructions in water flowing from the boundary waters or in water or in waters at a lower level than the boundary in rivers flowing across the boundary, the effect of which is to raise the natural level of water on the other side of the boundary, unless the construction or maintenance thereof is approved by the International Joint commission."

It would be impossible, of course, to construct the waterways without building dams, and, according to the engineers, these dams, even if built in the all-Canadian stretch of the river would inevitably disturb, slightly, the water levels of the International part of the river.

NORTHERN BAKERIES EXTEND OPERATIONS TO WINNIPEG AREA

Stock is Rising on Toronto Exchange and Earnings Are Satisfactory

Northern Bakeries will enter the Winnipeg field and will build a second plant in Hamilton, Ont.

Northern Bakeries already operates plants in Montreal, Toronto and Hamilton, with bread depots in Western Ontario cities. Its entrance into the Winnipeg field will enhance the competitive conditions, as Canada Bread is established already, as well as a number of fairly large private bakers.

It is announced unofficially that the Winnipeg plant of Northern Bakeries will be the last word in baking efficiency and that the existing Hamilton plant will continue to operate after the completion of the new plant. It is said that the business has grown so materially in Western Ontario that the two plants will be kept busy.

Plans are believed to be in the making whereby Northern Bakeries gradually will extend into the Western field. Canada Bread, in all probability, will not go farther West than Winnipeg, because the affiliated Canadian Bakeries operate in cities farther West.

Stock in Northern Bakeries has been rising on the Toronto exchange in the last week on the assumption that earnings are satisfactory and that negotiations have not been broken off whereby the company would be acquired by one of the larger milling companies. A market price of 45 for the stock, presupposes earnings around $4 the share, if the market places the same relative valuation on this stock as it places on the common stock of Canada Bread, which has been selling at 165.

Lake of the Woods Solicitor Heads $4,000,000 Bakery Co.

The Canada Gazette dated November 12th records the incorporation of Inter-City Baking Corp. with a capitalization of $4,000,000 of preferred stock. The incorporators are a group of lawyers headed by Norman Sommerville, Toronto.

It has been reported from time to time that Lake of the Woods Milling Co. intended to secure control of a chain of bakeries in Eastern Canada. It has been rumored that the company has an option on one of the smaller chains, but confirmation of the report is lacking.

Mr. Sommerville, it is said, is a solicitor for Lake of the Woods Milling Co.

TRUST AND LOAN DEBENTURE RATES WILL BE REDUCED

Lowering Interest Trend Makes 4½ Per Cent. Yield Likely

POPULAR INVESTMENT

Companies Find Public Likes These Certificates Because of Various Features of Flexibility With Safety

Reduction in the interest rate on debentures issued by the trust and loan companies in Canada is soon to be expected. The prevailing rate is 5 per cent. The Huron & Erie several months ago reduced the rate to 4¾ per cent., and it is expected that the majority of the other companies will follow suit. Shortly, it is expected that the rate will be 4½ per cent. The Canada Trust Co., affiliated with Huron & Erie, already has achieved this rate, in effect, by establishing a special form of account on which this rate of interest is paid.

It is not expected that the debenture form of investment will be any the less popular for a reduction in the yield. The trust and loan companies of Canada, as a class are sound and the debentures of many of the companies are properly classed by investors with government bonds. The yield of the moment is slightly better than the yield from government bonds, but a reduction in the rate will place them virtually on the same basis.

Trust and loan company debentures are regarded highly for their safety. But they appeal also for their convenience. The buyer of a debenture can conclude the transaction in two minutes, can arrange the term of the loan and can have the interest paid on dates to suit his, or her, convenience. Debentures have a face value of $100 and multiples thereof, thus making a convenient form of investment for tag ends of investment funds.

In the last several years, two or three of the larger mortgage loan companies have acquired the assets of a number of the smaller companies. In most instances, this process of absorption has enhanced the stability of the mortgage-loan business and the results, from the points of view of both borrowers and lenders, will be satisfactory.

The absorption of smaller companies is not unrelated to the necessity for a reduction in the interest paid on debentures. This has been due to the added expense of transaction of business, the ease of money and the consequent gradual lowering in the rates at which the lending companies put out their money.

Considerable attention has been paid recently to the Western field, for the reason that rates are somewhat higher than in the East. The prevailing rate on mortgages in Toronto, for instance, is 6½ per cent., and shows a tendency to recede to 6, while in Vancouver it is still 7½ and 8 per cent. Certain of the English companies for years have been operating almost exclusively in the Vancouver territory. Canadian insurance companies, along with the mortgage companies, recently have been attracted to Vancouver by the comparatively high rate, and it is reported that considerable funds have been placed at above 7 per cent.

On the Prairie Provinces, conditions affecting the loan companies are gradually improving, but not all the officers of such companies are wholly optimistic as to the Canadian Northwest. This attitude, however, may be the result of loan companies devoting much more attention to the unsuccessful borrower than to the borrower who rapidly ceases to be a borrower because of wealth that comes out of the soil.

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SPECIAL SECTION

Canada's Grain Trade . . . 25-63

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Principal Factors Favorable for Continued Prosperity
Hesitancy, or Awkwardness, Noted in Some Lines of Business
Certainty of Good Farm Revenue Features Present Outlook
Heavier Imports Prominent in External Trade Situation
Smaller Demand Reflected in Production of Motor Cars

LABOR and capital are still profitably employed. With scarce an exception, this statement applies to all industries. Abundant credit is available, agricultural revenue above average, employment the best since 1920, and national income higher than ever.

Despite the outward indications of a continuation of the prosperity experienced since the fall of 1925, there is a certain awkwardness in the business situation, difficult to describe, but which nevertheless exists. There has not been the same heavy forward movement this fall as in the closing months of last year, but then again there has been no recession which would likely develop into major proportions.

The most reasonable explanation which can be given to this note of hesitancy is that business is afraid of the present enormous volume of consumption and that stocks on hand will get out of control. It is not surprising, therefore, that a few industries have curtailed their output and otherwise strengthened their current position. Such steps appear unnecessary at present, however, because distributors have watched their inventories closely having in mind the lessons of 1921 and 1922. Long-dated forward orders have been set aside for the safer and sounder hand-to-mouth buying.

Good Crops Help

The brightest spot in the situation at present is the practical certainty of good crops in the West. Marketing of these crops is going forward now at a rapid rate, and at average prices in excess of last year. This fact, together with the lower prices for commodities other than farm products, will be most directly and immediately reflected in the agricultural regions, but will also have a beneficial effect on all parts of the country because of increased purchases of goods of all kinds, including automobiles and farm machinery.

Imports Continue Higher

The external trade situation continues along the same lines. Increasing industrial activity, brought about by greater purchasing power, has caused heavier importations this year of those goods not ordinarily produced or manufactured in this country. There have been some misgivings as to the manner in which imports have increased so rapidly this year, while, at the same time, exports have not advanced proportionately.

On a fiscal year basis, our shipments to foreign markets in the seven months ended October last were about $28,000,000 less in value than in the corresponding period of last year, whereas imports were $48,000,000 greater, the balance of trade still being favorable to the extent of $21,000,000. A better showing in regard to the "favorable" balance of trade is seen in the calendar year figures. For the ten months, imports totalled $909,543,000, as against $934,940,000 for exports, a difference of $25,397,000. No matter how the comparison is made, however, the fact remains that domestic demands are more extensive than those of foreign countries for our goods.

Iron Demands Power

It is not so long ago when a decline in pig iron production was viewed with some trepidation by business. There was justification for this as output was a reasonably accurate barometer of conditions in industry as a whole. In Canada, however, we have not placed the same importance on this indice as in the United States. This because we import very largely of iron and its products to meet domestic demands. The situation is not the same across the line and consequently production of pig iron is followed with closer interest.

The sharp drop in Canadian pig iron production last month, therefore, does not necessarily imply a corresponding decline in other industries. From the standpoint of the primary iron and steel industry, the situation is not so adverse as the figures for October would indicate. Cumulative statistics for the first ten months of the current year are only four per cent. below those of the same period in 1926. Production last year was not so high as was expected in view of the greater activity in allied lines, but comparison of the 1927 figures with those of 1926 show that the industry is holding its own.

Perhaps the outstanding contributing factor to the showing of the iron and steel industry in the last four months, has been the curtailment of motor car production. An irregular situation exists in the automobile industry. In the early months of the year production was much in excess of 1926. This favorable trend continued until June, when the shut-down of plants prior to putting new models on the market, resulted in a sharp decline in output.

Furthermore, the market has been unsettled by delay in bringing out the new Ford model. Thousands of potential buyers are waiting to see the new car and distribution of other makes has been on a limited scale. This is well illustrated by production figures which show an output in October of 7,791 units, as compared with 14,760 in the same month last year, a decline of nearly 50 per cent. Aggregate output for the first ten months this year totals 169,374, while for the corresponding period of 1926, 187,512 units were manufactured.

Good Volume of Freight

The movement of revenue freight is an encouraging sign of a greater volume of business this year. While September was a particularly bad month, on account of late harvesting, October has responded with a substantial gain and there is little doubt that the total movement for the year will exceed any previous mark. Only eleven of the forty-five weeks reported, have shown a smaller number of cars loaded than last year. In many cases, the weekly increase was less than a thousand cars, but in the aggregate, car loadings this year are over 100,000 in excess of those of 1926.

A favorable feature of the reports on revenue freight loadings, is the increased movement in nearly all commodities. Grain and grain products are not moving in as large a volume as last year, but the difference is very slight. The same applies to coke, other forest products, ore and pulp and paper. Livestock, coal, lumber, pulpwood, merchandise and miscellaneous all show substantial increases.

Colonization Association Place 509 Families on Land

Through the auspices of the Canada Colonization Association, 509 families, consisting of 2,799 persons, were settled in Canada on 130,928 acres of land from January 1st, to October 31st. The settlement of these families was personally supervised by officials of the association, who completed the contracts, inspected the lands and closed transactions. It is expected that 100 additional families will be settled before the end of the year.

Since its start, the Canada Colonization Association (a subsidiary of the Department of Colonization and Development, Canadian Pacific Railway) has settled 2,227 families on 564,139 acres and there are still settlement opportunities on 206,600 acres for 1,164 families. The percentage of success in these settlements is unusually high, being 100 per cent. in Alberta and 99.80 in Saskatchewan. The association now plans to open a district office in Toronto.

Tobacco growing in the Kelowna district, B. C., has been so successful this year that the acreage will probably be increased to 1,000 next season. The present crop has been safely harvested and cured.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (Oct.)	38,097	59,526	608,511	631,187
Steel, tons (Oct.)	56,371	63,542	730,660	664,084
Newsprint, cwts. (Oct.)	191,171	168,860	......	......
Automobiles (Oct.)	7,791	14,670	169,374	187,512
Boots and shoes, pair (Aug.)	1,675,598	1,406,782	11,867,591	11,338,398
Flour, bbls. (July)	1,019,000	1,212,000	9,123,000	10,194,000
Construction—				
Contracts awarded (Oct.)	$47,135,400	$43,384,600	$352,009,100	$324,250,000
Building Permits (Sept. 1)	$14,410,212	$11,047,503	$142,019,530	$120,259,445
Labor—Employment index (Oct.)			109.0	105.2
Transportation—				
Car loadings (to Nov. 12)	76,520	75,073	2,914,075	2,800,163
C.P.R. gross (Sept.)	$22,125,397	$22,619,873	$194,526,889	$190,419,152
C.P.R. net (Sept)	5,021,526	5,507,972	25,653,594	28,557,848
C.N.R. gross (Sept.)	$17,053,124	$18,675,404	$139,183,035	$137,331,784
C.N.R. net (Sept.)	4,494,011	6,448,823	24,495,245	28,632,021
Population—				
Emigration (Sept.)	9,542	......	99,179	......
Immigration (July)	12,288	16,227	89,722	64,531
Trade (Sept.)—				
Imports	$93,935,872	$88,127,214	$910,324,572	$838,910,159
Exports	103,884,933	130,279,870	937,332,646	1,029,073,852
Imports of key products (Sept.)—				
Rubber, lbs.	4,183,202	......(12 mos.)	57,466,383	46,532,373
Cotton, lbs.	4,814,195	......(12 mos.)	144,458,639	134,105,972
Sugar, cwt.	769,362	......(12 mos.)	10,483,174	10,948,619
Petroleum, gals.	91,864,726	......(12 mos.)	811,386,320	681,245,536
Coke, tons	72,666	......(12 mos.)	797,887	1,046,285
Exports of key products (Sept.)—				
Newsprint, cwt.	3,377,105	......(12 mos.)	36,861,132	32,929,884
Automobiles, pass. (No.)	2,856	......(12 mos.)	49,970	56,448
Wheat, bus.	14,070,866	......(12 mos.)	257,417,522	264,461,152
Wheat Flour, bbl.	677,330	......(12 mos.)	9,367,166	10,622,404
Finance—				
Failures, number (Sept.)	125	132	1,280	1,235
Failures, liabilities (Sept.)	$2,845,749	$2,497,610	$21,632,043	$21,119,370
Bank Debits (Sept.)	$2,843,933,991	$2,357,181,127	$24,156,870,155	$21,763,438,518
Bond sales (Oct.)	$98,601,903	$68,916,541	$507,652,204	$542,333,780
Stock prices index (Nov. 12)	....	....	490.3	212.9
Insurance sales (Sept.)	$35,000,000	$34,878,000	$360,500,000	$339,806,000
Wholesale prices (1913-100)—				
General index (Oct.)	....	....	152.4	151.3
Iron	....	....	142.2	145.1
Cotton	....	....	173.8	108.8
Grains	....	....	163.1	159.9
Cattle	....	....	116.3	96.3
Rubber	....	....	56.4	67.9

Root and Fodder Crops Show Revenue Decline

Weather Conditions Impede Growth — Insects and Rot Affect Yield

PRICES ARE LOWER

Decrease is About Twenty-Seven Million Dollars as Compared to Previous Year

Canada's revenue from root and fodder crops this year has a dollar value of $299,338,000. This is a decrease of about $27,000,000 from the previous year's record, when the same crops were valued at $326,246,000.

Weather conditions during the early part of the year were not favorable for rapid growth and later on in the season insects and rot affected the yield of corn and roots. Moreover, prices for these products are lower than they were last year, which accounts for much of the decrease in value.

The following table of yields and value of root and fodder crops for 1927 and 1926, has been prepared by the Dominion Department of Agriculture, based on conditions as of October 31st last:

Crop	Year	Cwt.	Value
Potatoes	1926	48,682,000	$ 71,598,000
	1927	47,927,600	58,529,000
Turnips, etc.	1926	34,576,000	20,836,000
	1927	37,953,600	20,947,000
		Tons	
Fodder corn	1926	4,720,800	23,685,000
	1927	3,510,650	15,806,000
Sugar beets	1926	529,000	3,410,000
	1927	412,900	3,214,000
Hay and clover	1926	14,916,000	178,526,000
	1927	16,937,100	175,956,000
Alfalfa	1926	2,116,000	28,191,000
	1927	2,070,800	24,886,000

Average Yield

Analysis of the report shows that the average yield per acre of potatoes this year was 83.7 cwt., as compared with 89.2 in 1926, and 89.4, the average for the four years 1922-25. At the same time, there was a decrease in average price per cwt., that for 1927 being $1.22, as against $1.47 last year.

By provinces, the average yields in cwt. per acre, in order, are as follows: Prince Edward Island 90.5 (131.9); Nova Scotia, 84.7 (105.8); New Brunswick, 89.5 (142.5); Quebec 87.5 (92.3); Ontario 66.1 (64.5); Manitoba 91.3 (83.3); Saskatchewtn 87.2 (67.6); Alberta 104.1 (91.1).

Generally speaking the yield of other fodder and root crops equals or betters the 1926 record. Prices have softened, however, and values have failed to gain proportionately. This fact is strikingly brought out in the case of Alberta potatoes yield which was over 250,000 cwts. in excess of the 1926 yield, yet the value is about $900,000 lower. Similar situations exist for other crops in that as well as other provinces.

Saskatchewan and Quebec are the only two provinces to show increased values for their fodder and root crops this year. The decline in values for the remaining provinces is, in the main, only of a minor character, as will be seen from the subjoined table, giving comparative figures:

	1926	1927
P. E. Island	$ 12,120,000	$ 9,008,000
Nova Scotia	18,645,000	16,493,000
New Brunswick	17,226,000	14,578,000
Quebec	92,551,000	94,130,000
Ontario	138,043,000	119,884,000
Manitoba	9,740,000	9,454,000
Saskatchewan	10,405,000	11,417,000
Alberta	14,484,000	12,434,000
British Columbia	12,032,000	11,940,000

Area Sown

The total area estimated as sown to fall wheat up to October 31, 1927, for the season of 1928 is 1,009,000 acres, as compared with 979,100 acres, the area sown in 1926 for 1927. The total sown this fall represents an increase of 29,900 acres or 3 per cent. In Ontario the area sown to fall wheat is estimated at 899,900 acres, as compared with 873,700 acres in 1926; Alberta, 94,100, as against 89,600.

The total area sown to fall rye in 1927 is estimated at 542,100 acres, as compared with 586,300 acres in 1926, a decrease of 44,200 acres or 8 per cent. By provinces the acreage sown to this crop, with last year's sown acreage in brackets, is as follows: Ontario 72,300 (76,100); Manitoba 108,700 (115,600); Saskatchewan 273,600 (297,400); Alberta, 87,500 (97,200).

For Canada the condition of fall wheat at the end of last month is reported as 103 per cent. of the ten year average, as against 99 per cent. on October 31, 1926; and of fall rye 102 as compared with 96 last year.

Alberta Municipal Finances Improving

A big volume of business is being handled by municipalities in Alberta at the present time, according to reports from inspectors of the department of municipal affairs. With more money in circulation as a result of the movement of the crop, tax payments are coming in rapidly, one district reporting receipts at the rate of $2,000 a day.

Municipal district offices in all parts of Alberta have been found to be in good condition this year. Inspectors report the books and accounts to be satisfactory and the district affairs in a generally healthy state.

HIGH GRADE PAPER MAINTAINS POSITION

Producers in Canada Appear to be Bettering Industry by Steady Growth

From Our Own Correspondent

MONTREAL. — The producers of high grade paper in Canada appear to be steadily bettering their position. This is due to the steady growth in the demand over the past six years.

The situation surrounding the industry is perhaps best judged from the production figures covering the past ten years. In any consideration of the figures, it is, of course, to be remembered that the 1927 production will be materially greater than that of last year. The figures follow:

Year	Tons
1917	163,842
1918	232,941
1919	285,668
1920	339,225
1921	213,833
1922	285,451
1923	337,762
1924	330,660
1925	348,182
1926	376,935

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CANADIAN WHEAT TRADE AFFECTED BY FRENCH TARIFF

Taxed 35 Cents a Bushel, and Prohibitive Duty on Flour

Not content with having revised the tariff upward, last September, to meet the terms of the new Franco-German trade treaty, the French Government again has announced another 33 per cent. increase in tariff on wheat and rye flour imports. At the same time, the duties on frozen meat, suspended since 1914, have been renewed.

Canada is only interested in the duties on wheat and wheat flour. The tariff on wheat was increased from 25 francs to 35 per hundred kilograms, while on rye it was from 11 to 15 francs. The new tariff works out at approximately 35 cents a bushel on both wheat and rye.

The tariff on grains in flour form, varies according to quality. The duty on flour of 70 or more per cent. extraction was raised from 45 to 60 francs per 220 lbs.; flour between 61 and 70 per cent. extraction was raised from 52 to 72 francs per 220 lbs., and flour of 60 per cent. extraction and less, was raised from 58 to 80 francs.

Up to September 6th, Canada had enjoyed the French minimum rates of duty, including most favored nations treatment on a specified list of goods; percentage reduction from the French general tariff on another list of goods, or, if lower, the rates of duty France applies to the United States products of a similar kind; and on all other goods, the French general tariff, without the increase made by decree of March 28, 1921, so long as the United States products are exempted from that advance of duty.

Signed Treaty in 1922

These concessions had been granted to Canada in exchange for certain advantages given to French exporters under the terms of the commercial treaty between the two countries signed in 1922. Since that time, the rates have been frequently revised on account of the falling value of the franc. During the past year, two surtaxes, each of 30 per cent., were applied to Canadian goods.

In so far as rye and wheat flour are concerned, the new French rates will have no effect on Canadian trade, as exports to that market of these two products amount to less than a $1,000 in value each year.

As for wheat shipments, detailed government trade returns are not available to show any changes. Under ordinary circumstances there would be a curtailment, but it is likely that France will import a larger quantity of Canadian wheat this year than last. During the fiscal year ended March 31, 1927, wheat shipped to France amounted to 4,155,867 bushels, as compared with 2,833,420 and 3,050,253 in 1925-26 and 1924-25, respectively.

Situation Not Adverse

France imports wheat only to meet crop deficits. This year the crop has been bad, and the import estimates for 1928 call for 15,000,000 quintals, of which Canada will supply about 500,000 quintals.

The added cost of wheat, caused by the new tariffs, will have to be borne by the French importers of Canadian wheat.

It is not unlikely that as a result of the numerous changes made in the French tariff, the Canadian Government will seek new terms or abrogation of the commercial pact, as at the present time, wheat represents about 25 per cent. of the total value of Canadian exports to that country.

Competition from Cuba Affects Canadian Sugar

From Our Own Correspondent

MONTREAL.—Canadian sugar refineries, such as the Atlantic Sugar Refineries and the Acadia Sugar Refining Company, still continue to feel the effect of competition with the producers in Cuba. This year, sugar prices have been lower and in addition, the output of the refineries has declined. During the four weeks period ending November 5, the total manufactured amounted to 99,346,232 pounds as compared with 109,446,738 pounds in the same period of a year ago. For the year to date the output of the refineries amounted to 851,259,423 pounds as compared with 958,544,329 pounds a year ago. Only 8,000,000 pounds of Canadian refined sugar were exported in October of this year as compared with 28,000,000 in 1926. There has been a decline in the exports of sugar for the year to date of about 25 per cent.

Canada Benefits by Cuban Tariff

It is announced by officials of the finance department that, in connection with the recent revision of the Cuban tariff, Canadian exporters will receive the advantage of the general rate as distinct from the maximum rate. Formerly Cuba had only one tariff but within the past month a double - column system was brought into effect, giving a minimum and maximum rate. During the past eight years Canadian exports to Cuba and Porto Rico have averaged in value over $7,000,000 per annum.

PIG IRON OUTPUT LESS IN OCTOBER

Smallest Since September, 1925; Steel Production Advances

A sharp decline took place in the production of pig iron in Canada during the past month. According to a report issued by the Bureau of Statistics, output of pig iron amounted to 38,097 long tons. This was the lowest reported for any month since September, 1925, and was 27 per cent. less than the 52,470 tons of the previous month and 46 per cent. below the tonnage produced in October of a year ago.

There was a decline in all grades. Basic pig iron dropped to 30,356 tons from 35,609 tons; foundry iron to 7,741 tons dropped from 11,979 tons, while no malleable iron was made as against 4,882 tons reported for last month.

For the ten months ended October, blast furnace production totalled 608,511 tons, a decline of four per cent. from the 631,187 tons reported for the corresponding period of last year. This year's output included 431,674 tons of basic iron; 145,443 tons of foundry iron and 31,394 tons of malleable iron.

Although pig iron production declined in October, steel ingots and direct castings increased from 54,250 tons in September to 56,371 long tons. There was a decrease of 11 per cent., however, in comparison with the 63,542 tons produced in October of last year.

The gain in output was due to the greater tonnage of steel ingots made; this grade rose to 54,190 tons from 52,010 tons and more than offset the slight loss in direct steel castings which fell to 2,181 tons from 2,240 tons in the previous month.

Cumulative production of steel ingots and castings for the ten months ending October 31, totalled 730,660 tons, an increase of nine per cent. over the 664,084 tons produced in the corresponding period of a year ago. This year's output included 695,688 tons of steel ingots and 34,972 tons of direct steel castings. During the first ten months of last year 635,124 tons of steel ingots and 28,960 tons of steel castings were produced in Canada.

INVESTMENT TRUST HAS STRONG PLACE NATION'S FINANCES

New York State Investigation Favorable to Existing Companies

Approved methods of operation and rules of conduct, have been recommended to the New York State legislature for incorporation in the statute books, as a result of an investigation of investment trusts. The findings of the committee in charge of this work are of more than state interest, as in the past year a number of these organizations have been incorporated in Canada, or stock of American investment trusts, has been sold on this side of the line.

The primary purpose and aim of the investment trust is the broad distributive investment of its resources in securities having a wide geographical and economic range in such manner as to allow only a small proportion of its funds to be risked in any one financial enterprise. On this account, the stock offered to the public has been popular not only for investment purposes, but also for the possibilities of big profits, as exampled by the success of British trusts.

Large Sum Invested

There is no accurate compilation of the amount of Canadian money now invested in investment trusts. Three companies of distinctly Canadian origin have at least $4,000,000 of stock outstanding, while American trusts also have secured a considerable sum of money in this country through the sale of their securities.

In England, where the investment trust business has been a part of the financial system for half a century or more, the total paid-in capital represents $1,000,000,000, while in America where the idea was adopted only in 1921, the total paid-in capital is easily $600,000,000 for 135 trusts.

In New York State alone, the investment trust business represents a half billion dollar enterprise, and experts predict that within two years the resources of companies engaged in this type of business will exceed $1,000,000,000. Extension of this business up-State and throughout the United States is rapidly developing.

A proportionate growth may be expected in Canada as these financial companies become better known and results of their operations become public. Consequently, the New York State investigation deserves more than passing attention at this time.

The proposed legislation of New York will provide for a general supervision of trusts under the direction of the superintendent of banks; all companies incorporating under proposed legislation will be required to call themselves "investment trusts;" and regular audits by independent auditors.

It may be mentioned here that the Secretary of State at Ottawa has already prohibited the future use of the term "investment trust" except to those companies performing trust work only.

The investigation revealed many well-defined and eminently proper rules of conduct which have been followed by successful investment trusts abroad, and for the most part, by the larger and better-sponsored trusts in the United States.

These rules are outlined as follows:

An investment trust, especially because of its financial and public nature, should pay only a moderate amount for its capital.

It is believed that any cost of marketing securities in excess of 10 per cent. is excessive.

The primary purpose of an investment trust is investment and reinvestment in securities.

Periodic audits (at least annually) of all assets, liabilities, income and expenses should be conducted by independent public accountants and a copy of such report sent to all shareholders or certificate holders.

Legality of all issues should be vouched for beyond question.

All contingent liabilities should be indicated in the balance sheet and clearly stated in all literature.

Literature should clearly and accurately describe the character of the company and the securities offered.

Employment of estimates of future earnings is to be deplored. Amount of the investor's dollar which goes into purchase of securities and extent to which assets are readily marketable should be clearly revealed in descriptive literature.

Loans to or transactions with officers, directors, trustees or closely affiliated companies as principals in the purchase and sale of securities is bad practice.

The feature of the report is the statement of Attorney-General Ottinger, of New York State, to the effect that the investment trusts "have a real and substantial place in our financial structure. In the main they afford an opportunity for the investor to make a reasonably safe investment based upon broad diversity of securities."

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on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
TUESDAY, THE THIRD DAY OF JANUARY
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By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, November 16th, 1927.

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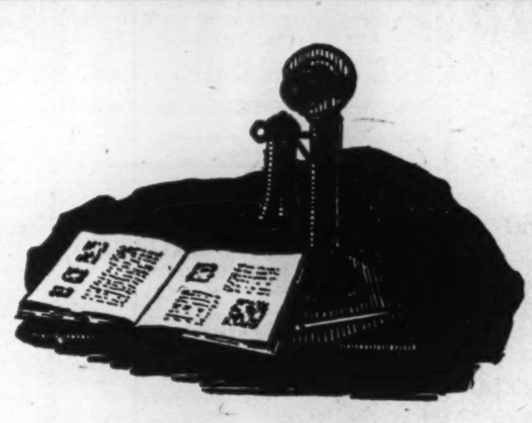

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McKINNON REPORT SHOWS INCREASE ON YEAR'S WORK

Earnings Equal to Approximately $2 Share After Paying Bond Interest

The annual report of McKinnon Industries, which will be available about December 3, is expected to show earnings of approximately $425,000, compared with $402,820 in 1926, and $420,253 in 1925. This last has been the best year in the company's history.

Earnings of $425,000 are equal to approximately $2 the share after payment of bond interest, depreciation, preferred stock and reserve for taxes. This compares with $1.57 for earnings on the common stock last year.

The Buffalo subsidiary of this company still is being operated at a loss, but it is hoped that conditions will improve as the result of changes recently effected. The Canadian company is working at capacity and it is anticipated that further expansion of plant facilities will be necessary soon.

As manufacturers of automobile accessories, McKinnon Industries naturally is affected by the general conditions in the trade. In view of the hesitancy prevailing in the industry owing to the public disposition to await the result of the Ford changes, the outlook for all companies is not wholly satisfactory. On the whole, however, the business of customers of McKinnon Industries has held up well and it is predicted that this condition will prevail.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Nov. 23	127.6	123.5
Week of Nov. 16	126.3	120.8
Month of Nov., 1926	89.6	83.1
9 Bank Stocks		
Week of Nov. 23	$278	$274
Week of Nov. 16	277	270
Month of Nov., 1926	226	222
10 Public Utilities		
Week of Nov. 23	$110	$106
Week of Nov. 16	108	104
Month of Nov., 1926	88	85

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	2	2	9
Paper	10	1	4	15
Steel	12	5	21	38
Foodstuffs	21	7	17	45
Utilities	13	10	7	30
Tractions	8	2	6	16
Textiles	1	6	9	16
Industrials	27	14	36	77
Total	97	47	102	246

United Securities Preferred Will be Retired at $105

From Our Own Correspondent

MONTREAL.—The forecast made by The Financial Post that holders of United Securities preferred who purchased their stock at above $105 a share stood a chance of making a loss, has been borne out by the announcement of the company that 2,500 shares of the preferred stock will be retired on January 2 next at $105 a share.

In accordance with a resolution adopted at a meeting of the board of directors the company's books will close from November 25 to January 2 next. Lots will be drawn to determine the shares to be redeemed. The calling of the stock will reduce the amount of preferred outstanding from $5,525,372 to $4,875,372. Over a term of years the company will redeem its entire issue of preferred shares. The stock of late has been quoted on the Montreal Curb Market at a figure higher than its call price.

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No. 5

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Power Corp. Figures Show Yearly Earning of Over 30 Per Cent.

Securities Appreciate in Value Over $3,000,000 Above Book Value

From Our Own Correspondent

MONTREAL.—The recent publishing of a report that the net earnings of the Power Corporation of Canada are over $900,000 for the past twelve months, and that there has been an appreciation in value of the securities owned by the company of over $3,000,000 above the book value, invites a comparison with the last annual statement of the company for its fiscal year ending June 30, 1927.

Earnings for the year were given as $678,433.31, this would indicate an increase of over 30 per cent. The total assets were given as $11,383,723, which with the reported appreciation in the value of the securities would bring the total assets up to $14,383,723.

Debenture Issue

At a recent meeting of the directors of the corporation, A. J. Nesbitt, the president, announced that an issue of $5,000,000 5 per cent. 30-year convertible debentures payable in Montreal, New York and London, England, was authorized, subject to the ratification and approval of the shareholders.

These debentures will be convertible into common stock of the company at the holders' option at any time before December 1, 1932, on the basis of one share of common stock of no par value for each $100 of debentures.

The issue is being made to provide for the expansion of the corporation's subsidiaries and the utilities in which it has a substantial interest, and also for possible extensions of the operations of the corporation itself.

It is understood that the net assets of the corporation including the proceeds of the present issue will amount to $20,000,000. This is a considerable increase over the statement of total assets set out in the last annual statement and which were given as $11,383,723.

It is understood that the appreciation in the book value of the holdings of Power Corporation of $3,000,000 has been due to sales at large profits of its holdings of Ottawa-Montreal Power, and Brazilian, and the marked increased in value of its other investments, which are understood to include a large block of Royal Bank of Canada.

In addition to this there has been a considerable increase in the stocks of Southern Canada Power, Winnipeg Electric, Manitoba Power, and Canada Northern Power, in all of which companies Power Corporation is heavily interested.

CALGARY OIL STOCKS

Wednesday prices of Calgary oil stocks as wired to E. A. Pierce and Co., Toronto, were: Advance 20; Alberta Pacific 25; Dalhousie 1.40; Illinois Alberta 31; New McDougall 60; Royalite 31.75.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bridge 7s, '55	108	109½
Do., 8s, '45	107½	109
Buff. Gen. Elec. 1st, 5s, '39	104¾	...
Bfo. N. & E. Pow. 5s, '30	103	104
Lockport L. H. & P. 5½, '54	102½	104

Public Utility Earnings

Can. Western Natural Gas

	1927	1926
October earnings	$ 100,811	$100,499
Jan. 1 to Oct. 31	1,196,023	869,965

Southern Canada Power

October—	1927	1926	Inc.
Gross earnings	$137,659	$123,936	$13,723
Oper. exp.	48,239	41,288	6,940
Net earnings	$89,420	$82,637	$6,783

Cape Breton Electric Co.

September—	1927	1926
Gross earnings	$50,593	$50,711
Oper. exp. and taxes	43,379	38,330
Net earnings	$7,214	$12,380
Interest charges	5,693	5,708
Balance	$1,521	$6,672

Monterey Railway, Light

3 mos. to June 30, 1927—

	Gross	xExpenses	Surplus
Rly. Lt. and Pr.	$252,829	$249,045	$ 3,783
Water. and Sewage	75,876	47,197	28,678
Total	$328,705	$296,243	$32,462
Agg. Earn. from 1st Jan., 1927, to 30th June, 1927	$636,372	$583,738	$52,633

xIncluding prov. for renew. and obsolescence.

B. C. Electric

September—	1926	1927	Increase
Gross earn.	$1,024,044	$1,059,017	$ 34,973
Exp., Main., etc.	735,259	756,298	21,039
Net income	$ 288,785	$ 302,719	$ 13,934
Agg. Gross from 1st July to 30th Sept., 1927	$3,042,185	$3,152,646	$110,461
Agg. net from 1st July to 30th Sept., 1927	$822,162	$850,915	$28,753

Winnipeg Electric

September—	1926	1927	Increase
Gross earn.	$ 445,512	$ 457,159	$ 11,647
Expenses	281,916	285,778	3,862
Net earn.	$ 163,596	$ 171,381	$ 7,785
Agg. gross from 1st. Jan. to end of Sept.	$4,048,887	$4,356,448	$307,561
Agg. net from 1st 1st Jan. to end of Sept.	$1,425,305	$1,541,456	$116,151

Brazilian Traction

October—	1927	1926	Change
Gross earn.	$3,305,659	$3,200,476	+$105,183
Oper. exp.	1,395,269	1,417,522	— 22,253
Net earn.	$1,910,390	$1,782,954	+$127,436
Agg. gross from Jan. 1	$31,724,786	$32,647,511	—$922,725
Agg. net from Jan. 1	$18,394,841	$18,585,385	—$190,544

In comparing the earnings for Oct., 1927, with the previous year it should be noted that the average exchange realized in Oct., 1926, was 14.19 cents as against 11.98 cents in Oct., 1927.

Winnipeg's Expansion Helps Electric Co.

From Our Own Correspondent

MONTREAL. — Further expansion of the city of Winnipeg as a distributing centre will result from the construction of a railroad into the Flin Flon mining district in northern Manitoba. The continued growth of the city will tend to increase the earnings of the Winnipeg Electric Company, which has transmission lines supplying the city with power and light. The city has contracted already for a large block of power from the company over a term of years.

FINANCIAL COMBINE PURCHASES CONTROL OF MONTREAL DAIRY

Issue of Stock in New Company Will be Offered to Public Later

Montreal, Toronto and Hamilton dairy and financial men have bought control of Montreal Dairy Co., Ltd. An issue of stock in the new company will be offered the public later, it is expected through a Toronto and a Montreal investment house. The change will result in adding to the company's board a number of men of considerable experience in the dairy business and in finance.

F. Monette, president of the company, pointed out that the company, beginning in a small way in 1905, had progressed rapidly until, at present, the depreciated value of its fixed assets, exclusive of goodwill, is approximately $1,570,000. The company has one of the largest and most up-to-date plants in Canada.

The forthcoming issue of stock will concern Montreal Dairy Co. alone. No grouping of dairy companies under a holding company is contemplated at present, it is stated authoritatively.

Detroit United Railways Liquidates Tax Arrears

From Our Own Correspondent

MONTREAL.—The Detroit United Railways has paid tax arrears amounting to $58,000 on two of its subsidiaries which were both to be sold November 24 for non-payment of taxes.

Foreign Power Securities Have Popular Demand

From Our Own Correspondent

MONTREAL. — Since the common shares of the Foreign Power Securities Corporation were first listed on the Montreal Curb, there has been a steady demand for the stock and present prices show a substantial appreciation as compared with the opening price of 30¼.

The demand for the stock is due to the popularity of utility holding corporations and also to the increasing investment of the corporation in utilities abroad.

Hodgson Bros., Montreal, Take Larger Offices

From Our Own Correspondent

MONTREAL.—The bond house of Hodgson Brothers and Company and the newly formed stock exchange house of Hodgson, Jarvis & Company have moved into larger quarters at 114 Notre Dame St., Montreal. The members of the firm include Maurice Hodgson, J. P. Hodgson, W. L. Jarvis and James C. Routledge. Mr. Routledge was recently elected a member of the Montreal Stock Exchange and will handle the floor work for his firm.

International Paper Company Maintains High Earnings

From Our Own Correspondent

MONTREAL.—In view of the extensive programme of expansion involving expenditures running into the millions in which the International Paper Company is now engaged, its earnings for the third quarter of the current year should prove particularly gratifying to shareholders. Earnings of the company for this period are reported to be within $146,000 of all dividend and interest payment requirements.

Interest payments were $1,195,000 an increase of $530,000 over corresponding quarter last year. Depreciation of $1,[illegible]000 was $159,000 in excess of the same quarter of last year. On this showing one can conclude that next year Inter. Paper should show a substantial surplus after all charges, including dividends.

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If you are concerned with the probable trend of these securities, you will find our *"Tabloid Stock Market Review"* of particular interest.

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It must be remembered that diversity of industries means labor steadiness—the industrial life of Hull is not tied up in one industry. Thus, workers face an assured future which enables confident home ownership. 75 per cent. of Hull's workers now own their own homes.

Other Industrial Advantages

Hull is the converging point of a tremendous hydro-power development.

The city's location is central to Canada's most concentrated markets.

Fine transportation facilities are available—the Canadian Pacific Railway's direct trans-Canada route; the Canadian National Railways; water shipments to seaboard and to and from New York State; first class roads for motor and truck traffic.

Fire and police departments give adequate protection. Educational facilities are excellent—including a splendid technical school.

Hull has many fine factory sites for new industries with ample room for expansion. The Hull tax rate is low and a fixed assessment for ten years can be arranged.

For further Information Write
H. Boulay, City Clerk, Hull, P.Q.

BRING YOUR INDUSTRY
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Key City of a Great Hydro-Power and Industrial District

U.S. Financial Circles Predict Boom in Canada

Dominion Securities Are Becoming Increasingly Valuable and Gigantic Trade in Mining Shares Impresses New York—States Looks to This Country as Land of Future Development

Special to The Financial Post

NEW YORK.—One billion, two hundred million dollars' worth of Canadian securities have been marketed in the United States by Dillon, Read & Co., in the last five years.

In every financial circle, The Financial Post representative was greeted with interest, and every person asserted, in one way or another, that Canada is about to boom and that Canadian securities will become increasingly valuable.

Control of Canadian Pacific Railway, it is declared, now rests in New York. The opinion was expressed that Canadians are missing an opportunity when they permit the premier Canadian investment to be owned in another country. Increasing values of this stock are freely predicted.

The trading in mining shares on the Standard Exchange, Toronto, on a scale of trading comparable only to the trading on the big board in New York, has impressed everyone in this city who pays the least attention to the mining industry.

The fact is that the whole United States is looking to Canada as the land of future development. One man quoted the Rt. Hon. Reginald McKenna's now-famous speech in Montreal, when he said that "Canada is the land of the future and that future begins to-day."

Dillion, Read & Co. is not the only concern which has marketed large blocks of Canadian securities. Other houses report increasing business, and an even more impressive increase in the number of inquiries as to Canadian industrial stocks and mines. Several prominent New York investment houses intimate that the opening of branches in Canada will be a step in the immediate future. The New York branches of Canadian houses are extremely active.

British Empire Steel Has Another Director

MONTREAL.—C. J. Burchell, K.C., of Halifax, has been elected to the directorate of the British Empire Steel Corporation and its subsidiaries.

Stock Market Record

WEEK ENDING NOVEMBER 22

	Div. Rate	Yield Nov. 21	High for wk.	Low for wk.	Close Nov. 22	Close Nov. 15	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	4.79	272	266	269	269	113	296	228
Dominion	12+1	5.00	260	258	260	259	94	275	217
Can. Nationale	10	5.26	195	190	190	194	41	198	160½
Imperial	12+1	5.22	249	245	247	245	68	256	214
Montreal	12+2	4.27	328	327	327	326	155	355½	272
Nova Scotia	16	4.39	368	363	365	365	136	399	298
Royal	12+2	4.43	317	313	316	315	581	344	257
Standard	12	5.04	240	237	238	240¾	80	250	196
Toronto	12+1	4.71	276	269½	272	270	210	287	227
Paper—									
Abitibi, com. (no par)	5	3.65	137½	130¼	136½	132	11822	140½	82
Do., pref.	7	5.64	..	...	...	...	...	125	113
Belgo-Can., pref.	7	6.60	106	105	106	106	80	106	101
Brompton (no par)	$2	3.47	59¼	57	58	57½	4662	64	31
Fraser, pref.	7	5.93	120	112	118½	106	511	120	96
Inter. Paper, c. (no par)	$2.40	3.20	78¼	67⅝	77⅛	67⅞	137100	78¼	39½
Do., pref.	7	6.57	106½	105⅝	106½	105⅝	220	106½	98⅞
Laurentide	6	5.50	112	106	110⅛	107	9272	116	90
Price Bros., com.	2	2.94	68	67	67	68	25	75½	51¼
Do., pref.	6½	6.25	104¼	103	104	104	57	104¾	100
Smith, Howard, com.	.	...	73	70	73	70	535	75	59
Do., pref.	8	6.83	117½	116	117	117	227	117½	103½
Span. River, com.	7	5.16	136¾	130½	134½	131	11882	136¾	97¼
Do., pref.	7	4.40	160	150	157	148½	4610	160	110¼
Wayagamack (no par)	$3	2.67	119	109	116¼	109	3926	123½	46¼
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅜	½
Do., 1st pref.	.	...	22	21½	22	21¼	140	29¼	10
Do., 2nd pref.	.	...	2¾	2½	2¾	2¾	695	4	1
Can. Car & Found., com.	.	...	41	38	41	38	340	50¼	35
Do., pref.	7	7.91	88½	87	88½	87	164	94½	85½
Can. Fairbanks, pref.	6+3x	5.88	..	...	...	...	...	102	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	17
Do., pref.	1½x	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	60	58	58	58	20	60	49
Do., pref. (par $50)	7	5.73	61	60½	60½	60½	39	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do., pref.	4	7.27	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	25
Do., pref.	7	9.33	75	73	73	73	8	89	71
Dominion Bridge (new)	.	...	60⅛	59	59	60¼	14790	60¼	57
Dominion Bridge	4+4	2.71	295	295	295	298	50	300	116¾
Dominion Coal	.	...	76	70	76	70	4	85	67
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Steel Corp., pref.	.	...	..	...	...	...	...	41	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	4¾	4	4¾	5	100	15	4
Do., pref.	7	...	..	...	...	...	...	95	55
Massey-Harris, c. (no par)	.	...	39	35	37½	35¾	28012	42¾	29
Do., pref.	7	6.46	108¼	107¾	108	108	228	109¾	103½
McKin. Ind., c. (no par)	.	...	25	25	25	24	170	25½	15
Do., pref.	7	7.21	97½	97	97½	97	97	97½	93¼
Do., Vot. Trust	.	...	24½	24	24	24	440	26¾	15
Ontario Steel, com.	6	5.04	119	117	119	112	30	119	73
Do., pref.	7	6.25	..	...	...	...	...	115	100
Page Hersey, c. (no par)	$3	3.48	86½	82½	86	83	2953	90	55½
Do., pref.	7	4.09	171½	166	171	166	398	180	116
Pressed Metals, com.	$3	6.52	47	46	46	47	451	64	34¼
Do., pref.	7	7.60	..	...	...	...	...	97	85
Russell Motor, com.	$3	5.55	..	...	...	...	...	60	52
Do., pref.	7	7.36	95	93	93	94	102	99	90⅛
Steel of Canada, com.	7	3.77	190¾	175	180½	171	11614	222	117
Do., pref.	7	3.31	186	170	180½	170	610	205	127
Milling and Foodstuffs—									
Alta. Pac. Grain, c. (no par)	.	...	52	49	52	49	3965	54½	19½
Do., pref.	7	7.29	96	94	95¼	93	538	97	85
Arnolds, c. (no par)	.	...	17	15	16½	15	866	26	10½
Do., pref.	.	...	90	83	90	83	53	95	81
Atlantic Sug., c. (no par)	.	...	24	23	23	23	622	32	21¾
Do. pref.	.	...	..	...	...	...	...	101¼	89½
B.C. Fishing, c. (no par)	$1.25	8.33	15¾	14	15	14⅞	1705	22	12¼
Do. pref.	7	8.75	80	78½	79	77	345	90	72⅝
Can. Bak., c. (no par)	.	...	42	41	41	41	822	42⅛	26
Do. pref.	7	6.60	106	105	105⅞	106	20	106	97
Can. Bread, c. (no par)	$6	3.63	165	165	165	165	10	172	90
Do. pref. (A)	7	5.98	117	117	117	119	12	125	108½
Do. pref. (B)	7	6.36	111	110	110⅞	110	96	115	103
Can. Canners, com.	.	...	87	83½	85	84	664	87	21
Do. pref.	5	4.44	113⅝	109	110½	109	5320	118½	76
Canadian Salt	8	5.33	..	...	...	...	...	150	123
Christie Br., c. (no par)	$1.20	1.80	67⅛	67	67⅛	69	75	73	38
City Dairy, c. (par $25)	3+1	1.95	214	203	203	200¼	3467	214	79
Do. pref.	7	5.60	125	125	125	125	7	125¼	112
Cuban Can. Sugar, c.	.	...	3½	3½	3½	3½	340	5	1¼
Do. pref.	.	...	35	30	35	30½	253	37	26
Wm. Davies (A) (no par)	.	...	36	36	36	41	50	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	20¼	9
Dominion Stores (no par)	$2.40	2.55	94	92½	93	93	536	99¾	65
Ham. Dairies, c. (no par)	.	...	53	52¾	52¾	53	145	55	24
Do. pref.	7	6.73	104	104	104	101	36	104	95¼
Inter. Milling, pref.	7	6.54	107¾	107	107¾	107	190	109	104
Lake of Woods, c.	12	6.55	186½	180	182	180	1248	186½	130
Do. pref.	7	5.83	..	...	...	...	...	120	110
Loblaw, com. (no par)	$1	1.19	84	82½	84	84	285	85	48
Do. pref.	7	5.64	..	...	...	...	...	125	107
Maple Leaf Mill., c.	.	...	104	103	104	101	314	110½	49
Do. pref.	7	6.79	104	102	103	103	182	104	94
Nat. Grocers, pref.	8	8.01	100½	99	100½	100	121	101	99
Ogilvie Flour, c. (no par)	5+10	4.11	365	355	360	360	91	372	205
Do. pref.	7	5.16	135½	135¼	135½	127	1	135½	120¼
Pure Gold Mfg. (no par)	$1.50	6.81	22	21½	22	22	40	22	19½
Shred Wh., c. (no par)	$3	4.25	70½	67	69¼	68	2417	71¼	55
St. Law. Flour, c.	.	...	41½	34¼	41½	34½	3280	41½	25
Do. pref.	7	8.35	..	...	...	...	...	85	79½
Viau Bisc., c. (no par)	.	...	15	15	15	15	30	26	15
Do. pref.	7	7.95	88	87½	87½	84	40	92½	83½
W. Can. Fl., c. (no par)	$1.40	3.70	41	37	39	40½	1377	41⅞	22
Do. pref.	6½	6.28	103⅜	103¾	103¾	103	25	106	100
W. Groc., c. (no par)	$1	5.55	19	18¼	18¼	19	45	29	13
Do. pref.	7	9.27	75½	75	75	76	18	84	74⅛
Utilities—									
Bell Telephone	8	5.29	151	149½	151	150	468	158½	137
Calgary Power	.	...	..	...	...	...	...	50½	50
Consumers Gas	10	5.31	190	188	190	189	115	194	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	25
Do. pref.	7	7.00	..	...	...	...	...	100	95
Inter. Util. (A) (no par)	$3.50	7.44	47¼	46	46	46½	2782	48½	28
Do. (B) (no par)	.	...	9	8½	8½	8⅞	5160	10	4½
Jamaica Pub. Ser., pref.	7	6.73	104	104	104	105	5	105	97
Laurentide Power	5	3.44	..	...	...	...	...	150	105
Mackay, com.	7	5.83	120	117	117	121	75	132½	108
Do. pref.	4	5.71	71	69	71	70	234	74	67
Mexican Light, c.	.	...	48¼	48¼	48¼	46	100	52	27
Do. pref.	3½	...	72½	71	71	75	230	120	67
Mont. L. H. & P. (no par)	$2	2.18	91½	90¼	90¼	90	3582	96¾	68⅛
Montreal Teleg. (par $40)	8	6.03	53	53	53	52½	10	53	49
Nor. Mexico Pr., c.	4	5.47	73	72	73	70	260	83	42
Do. pref.	7	7.60	..	...	...	...	...	96½	82½
Ot. & Hull Pr., c. (no par)	.	...	42	40	42	40	45	42	26
Do. pref.	7	7.03	99½	99½	99½	100	10	100	96
Ott. L. H. & Pr., c.	6	4.28	141	140	140	141	93	141¼	98½
Do. pref.	6½	6.19	106	104	106	105	62	107½	101
Quebec Power, c.	.	...	78⅞	76	77⅞	77	7289	80	72
Shawinigan (no par)	$2	2.28	88	84	86	84½	8516	94¾	67
S. Can. Pr., c. (no par)	$3	2.67	113	112	113	110	105	140	85
Do. pref.	6	5.66	106	105½	105¾	105¾	27	113	99½
Do. Rts.	.	...	7	5½	6	7	468	7⅛	5½
Transportation—									
Can. Pacific Rly.	10	5.13	196	194¼	195½	196	130	201	166
Can. Steam., c. (no par)	.	...	38	35½	37	37½	60	42	34
Do. pref.	6	6.34	95	93¾	95	94	1154	96½	82½
Do. voting	.	...	..	...	...	...	...	37½	31
Tractions—									
Barcelona (par $50)	1	...	65	65	65	61½	70	68⅛	33½
Brazilian, c.	6	2.83	212	204¾	210	203½	87119	212	102½
Do. pref.	6	3.42	175⅛	170	175	165	858	175⅛	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	1½
Duluth-Superior	$2	9.09	22	22	22	23	10	30⅞	22
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42¼
Mexican Trams.	.	...	..	...	...	...	...	21	19¾
Montreal Trams.	10	5.12	195	195	195	190	45	200	169
Ottawa Traction	4	6.06	64	64	64	66	10	70	64
Porto Rico Rlys., c.	$3	4.30	..	...	...	...	...	70⅝	59
Do. pref.	7	7.21	97	97	97	97	5	100	90
Twin City, c.	4	8.16	49	46	48	47	286	66	45
Do. pref.	7	6.86	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	1.97	101¼	88	100	87¾	13243	101¼	60¾
Do. pref.	7	6.60	107	102½	105	104	229	109	100¾
Do. Rts.	.	...	14	9½	13	9½	4785	14	6⅝
Textiles—									
Can. Conn. Cotton, pref.	4	6.08	65¾	65	65¾	66½	182	69	36
Can. Converters	7	6.42	109	101	106	102	1931	109	92
Can. Cotton, com.	8	6.34	126	125	125	126	7	132	115
Do., pref.	6	5.82	103	103	103	103	1	103	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	5
Do. pref.	.	...	..	...	...	...	...	63½	59¾
Cosmos Imp., c. (no par)	.	...	27½	26¼	26½	27½	1885	31½	13
Do. pref.	7	7.05	99¼	99¼	99¼	101½	5	103	91¼
Dom. Textile, c. (no par)	$5	3.86	130½	128	128½	129	1207	135⅞	105
Do. pref.	7	5.64	124	124	124	124	7	125	115¾
Monarch Knit, c.	.	...	..	...	...	...	...	35½	7½
Do. pref.	.	...	45	45	45	45	5	54	45
Montreal Cottons, c.	6	5.21	115	115	115	115	14	117	110
Do. pref.	7	5.88	119	119	119	121	14	121	114
Penmans, c. (no par)	$4	4.21	95	93	94	93	130	108	70
Do. pref.	6	5.82	..	...	...	...	...	105	101
Wabasso Cotton (no par)	6	4.80	125	125	125	127	20	137	84
General Industrials—									
Amer. Sales, c. (par $20)	4	5.92	67½	67⅛	67½	67	75	75	60
Do. pref.	7	6.66	106	105	105	106	69	106	97½
Asbestos Co., c. (no par)	.	...	38½	36	36¾	37½	3413	39¾	20
Do. pref.	7	7.36	95⅞	94	95½	95	687	102¼	82¾
Brant Cd., pf. (par $25)	8	10.50	19	16	17	19	193	25	16
Brew. & Distil. (par $5)	5	1.80	14½	14	14½	15½	205	18	4½
Building Products, pref.	7	6.76	104	103½	104	103½	30	104	93½
Burt, F. N., c. (par $25)	$3	4.28	70	69½	70	70	580	70¾	56½
Canada Cement, c.	6	...	..	...	...	...	...	252½	124½
Do pref.	7	...	..	...	...	...	...	124½	116
Do. com. (new)	.	...	31½	30	31	31	10224	35⅛	30¾
Do., pref. (new)	.	...	95¾	94¼	95½	94	6586	96	93
C. Ind. Alc. (no par)	$1.28	3.00	43⅞	41	42½	41	32027	43⅞	21¼
Can. Oil, c. (no par)	$1	2.70	37½	36	37½	36	919	38½	21
Do. pref.	8	6.55	123	122	122	123	16	125	115½
Can. Bronze, c. (no par)	.	...	62⅝	60	62	60½	2445	63	43
Do pref.	7	6.42	110	106	106	107½	163	110	98½
Conduits, com. (no par)	.	...	30	29½	30	29½	60	30	23
Do. pref.	7	7.52	..	...	...	...	...	94	92
Cons. Smelters (par $25)	10+5	5.89	256	246	252	250	2320	270	215
Crow's Nest Coal	6	12.00	..	...	...	...	...	71⅛	50
Dom. Glass, c.	7	5.14	137	135	136½	136	1096	144	104
Do. pref.	7	5.83	120	120	120	120	25	125	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	75	75
E. Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.29	96½	96	96	96	10	97	92
Famous Players, com.	.	...	49¼	48	48	48	200	51½	20
Do. pref.	8	7.84	102	100	100	102	260	102	93½
Gilman, com.	6	5.46	..	...	...	...	...	112	109⅞
Do. pref.	7	6.19	113	113	113	114	10	125	110
Goodyear Tire, com.	$5	4.00	125	124	124	125	485	125	85¼
Do. pref.	7	6.69	104½	104	104½	104½	419	109	94½
Ham. Un. Theatres, com.	.	...	35½	35½	35½	...	5	35½	35½
Do. pref.	.	...	83	83	83	...	25	83	83
Hayes Wheel, c. (no par)	.	...	30	27½	29½	29	1095	34¾	27¾
Do. pref.	7	7.29	96	96	96	96	5	98	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	8.23	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	.	...	36½	35¼	36½	36½	80	37½	20
Do. pref.	7	7.40	95	94½	95	95	10	96	90
Inter. Nick, c. (par $25)	$2	2.98	68¾	66	67	66¾	22226	75	38
King Edward Hotel	$3	5.45	55	52	55	52	240	60	20
Lake Ont. Brew. (no par)	$2	8.33	24½	23	24½	24	445	31½	18
L. Secord, c. (no par)	.	...	43	41	41	42½	290	47½	26
Do. pref.	7	5.34	130½	130½	130½	130	5	140	102
Lyall Construction	.	...	47	47	47	45	10	63	32
Loew's, com.	.	...	45	40	45	40	3	47	38
Do. pref.	7	6.93	..	...	...	...	...	105	96½
Muirhead's, c. (no par)	50c	4.65	10⅞	10½	10½	11	35	13½	8⅞
Do. pref. (par $10)	75c	5.76	13	12¾	13	12	155	13½	10⅞
Nat. Brew., c. (no par)	$4	3.70	108	103½	107	103½	21323	108	65
Do. pref.	7	5.83	120	120	120	121	110	121	105
National Brick, com.	.	...	..	...	...	...	...	10	4
Do. pref.	6	10.00	60	58⅛	60	58	30	81	56
Pacific Burt, com.	6	5.21	115	112	115	110	75	115	87
Do. pref.	7	6.08	115	115	115	115	4	115	99¾
Port Hope San., com.	4	2.16	..	...	...	...	...	185	125
Do. pref.	7	6.36	110	110	110	110¼	1	111	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.00	100	100	100	100½	20	102	92
Seagram (no par)	.	...	24	21½	23⅝	21¾	8575	28⅞	15
Sher-Williams, com.	6	3.15	190	189¾	190	190	110	207	142
Do. pref.	7	5.69	123	122	123	121	38	123	117
Standard Chem., pref.	.	...	..	...	...	...	...	26	15
Stanfords, c. (no par)	.	...	..	...	...	...	...	26½	19
Do. pref.	7	7.82	90	89½	90	90	25	92	88½
Sterling Coal	.	...	..	...	...	...	...	36	22

A Personal Matter

If Christmas giving were not a matter of individual selection—if Christmas boxes were issued, on demand, by the Government, or allotted in order of merit by a Committee of Prominent Citizens—who would want to keep Christmas?

Without the personal gift, personally selected, Christmas would be in vain. Fortunately this is a land that affords to each individual, life, liberty and the pursuit of Christmas boxes each after his own fashion. We suggest, then, that if you are in search of gifts which bear in every case the mark of individual taste and judgment you shop at Ryrie-Birks.

The Ryrie-Birks' stock runs the whole gamut of individual social needs—from the most frivolous fashionable novelty to the most formal and magnificent family services. We cordially invite you to come to the Ryrie-Birks' store and make your Christmas survey.

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DIAMOND MERCHANTS
YONGE AND TEMPERANCE TORONTO

HIGHEST GRADE SMOKING TOBACCO
BY APPOINTMENT TO H.R.H. THE PRINCE OF WALES
Piccadilly
LONDON
SMOKING MIXTURE

"A FAMOUS MIXTURE"

In the New Hermetic Sealed Tin 25¢

Purchasing Sentiment

Often obscures the critical faculties—and yet if the same satisfaction can be secured for a more moderate price, is it not advisable to consider this factor? If it is flowers, you can purchase varied varieties—the choicest and freshest—at a much lower cost here than elsewhere. This is our policy; a trial order will surely convince.

Telephone Kingsdale 2687

Flower Distributers Ltd.
18 Bloor St. West, Toronto, Ontario

	Div. Rate	Yield Nov. 21	High for wk.	Low for wk.	Close Nov. 22	Close Nov. 15	Sales for wk.	Range, 1927 High	Low
St. Maur. V., c. (no par)	.	...	66½	62	66½	62½	2885	66½	47
Do. pref.	7	6.89	101½	101	101	100	342	101½	94½
Tooke Bros., com.	.	...	..	...	...	...	...	16	5
Do. pref.	7	...	..	...	...	...	...	72½	65
Tuckett Tobacco, com.	4	4.19	..	...	...	...	...	95¼	69
Do. pref.	7	6.08	115	115	115	115	55	115	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	8.97	78	78	78	77½	35	89	75
Zimmerknit (no par)	.	...	25	23	24	23	120	28½	18
Do. pref.	7	7.60	92	92	92	94⅛	25	95	89½
Trust and Loan—									
Can. Landed (par $50)	10+1	4.69	..	...	...	...	...	118	94
Can. Permanent	12	5.26	230	228	228	230	64	235	216½
Colonial Invest. (par $10)	6	...	6⅛	6⅛	6⅛	5¾	7	7	5
Econ. Invest. (par $50)	4	3.33	60¼	60¼	60¼	60	50	60¼	53
Huron & Erie	7+½	5.03	..	...	...	...	...	152½	139
Landed Banking	10	5.00	..	...	...	...	...	200	161
Mont. Loan (par $50)	12+1	6.76	48	48	48	47	5	52¾	47
National Trust	12	4.73	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.61	260	260	260	251	7	260	220
Toronto Mtge. (par $50)	10+1	5.09	108	108	108	106	30	110	100
Union Trust	7	6.16	..	...	...	...	...	113½	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	...	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	12	11	11	12	990	35½	11
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	14½	14	14½	14	695	20¾	13
Belding, com.	6	8.00	75	75	75	76	10	88	67
Do. pref.	7	7.21	97	97	97	96½	5	100	96½
Brading Brew. (no par)	$2	...	..	...	...	...	...	35½	20
Brit. Amer. Oil (no par)	80c	2.22	37½	35	36	35⅞	19155	37⅝	20
Can. Brewing (no par)	.	...	37½	34¾	36½	34½	29434	37½	22¼
Can. Celanese (no par)	.	...	65	64½	64½	65	220	85½	52¾
Do. pref.	.	...	94¾	92	94¾	90¾	40	95	88
Can. Light & Power	.	...	..	...	...	...	...	55	20
Can. Malting (no par)	.	...	34¾	31	34½	31	21255	34¾	27¾
Can. Nor. Pr., c. (no par)	.	...	71	71	71	75	125	75	42
Do. pref.	7	6.93	102	99¾	101	102	290	102	97
Carling Brew. (no par)	$2	5.88	34¾	26½	34⅝	26¾	35663	34¾	22⅞
Cockshutt, pref.	4	4.21	95	85	92½	85	1466	95	67
Continental Oil	$1	5.00	18¼	18¼	18¼	18¼	50	22⅞	16½
Cosgrave Brew. (par $10)	6	6.66	9½	8½	9¼	8¾	1955	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10⅞
Do. pref.	4	...	..	...	...	...	...	55	50½
Com. Alcohol (no par)	$1	3.03	35	25	33	25	1073	70	15
Do. pref.	8	...	..	...	...	...	...	110	103
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Dom. Engineering	.	...	45	45	45	47	5	50½	45
Dom. Power, pref.	7	6.93	..	...	...	...	...	102	100
Dryden Power (no par)	.	...	26½	22½	25¾	22	2176	29½	9½
E. Dairies, c. (no par)	.	...	54	53	54	54	786	57	20½
Do. pref.	7	7.00	..	...	...	...	...	100	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	75	75	75	76	15	95	72½
Farm. Dairy, c. (par $50)	$2	...	245	245	245	245	332	245	220
Do. pref.	7	6.36	110	106	110	105	55	110	105
Foothills Oil	.	...	2.50	2.50	2.50	2.50	50	3.25	2.00
Foreign Pr. Secs. (no par)	.	...	44½	33½	43	33½	14559	44½	29
Frontenac Oil	.	...	35¾	24¾	32⅞	25¾	17225	27⅞	23½
Good. & Worts (no par)	$1	1.70	60	59	59¾	60	2289	64	43½
Chas. Gurd, com.	$2	3.39	59	50	58	50	4492	59	28⅞
Do. pref.	7	7.00	100	98½	100	98	35	100	93
Hiram Walker (no par)	$2	3.33	60¾	59	59⅞	60¼	7934	64	28½
Do. Rts.	.	...	1.05	1.00	1.00	1.00	7313	1.05	1.00
Illinois Power, pref.	7	7.00	100¾	100¾	100¾	100	45	101½	98
Imperial Oil (no par)	$1.50	2.46	61½	59¾	60½	61	5691	64½	37¾
Imp. Tob., c. (par $5)	6+1½	3.84	9¾	9¼	9½	9⅝	14960	11	6¾
Inter. Petrol (no par)	75c.	2.27	34	32	32¾	33⅝	6335	35½	28
Inter. Power, com.	.	...	36	34	36	34	1447	36½	24
Do. pref.	7	7.54	95½	92½	95½	92	207	95½	85
Kemsley	.	...	17⅝	16⅝	16¾	16⅞	1275	17⅝	14⅝
Loew's London, com.	25+5c	...	..	...	...	...	...	5⅝	4⅛
Manitoba Power (no par)	.	...	86½	75	83	88	424	89	50
Do. Rts.	.	...	10	8½	10	...	225	10	8½
McColl, c. (no par)	80+50c	2.40	54¾	52½	53¾	53½	2950	55	22½
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Nat. Distilleries	.	...	21⅞	20½	20½	21	1485	24	19¾
North. Bak. (no par)	.	...	44¼	40½	44	41	18260	45½	25
N. Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com. (no par)	.	...	36	36	36	36¼	20	37½	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	6.37	..	...	...	...	...	53⅝	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	50
Do. pref.	.	...	..	...	...	...	...	100	95
Perfection Glass	.	...	3	3	3	4	70	8	3
Photo Engravers (no par)	.	...	33	31	31½	...	2081	33	31
Port Alfred, c.	.	...	80½	75	80½	77	1370	80½	55
Do. pref.	7	6.89	101½	101	101	100	100	101½	95
Power Corp., c. (no par)	.	...	71¼	67½	69	68	12939	75	27¼
Do. pref.	6	6.00	100	99½	100	100	77	100	94
St. Maur. Power	4	2.50	160	154	160	159	472	170	90
Simpson, Robt., pref.	6	5.82	103	103	103	101	12	103	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	108	95	107½	95	3922	108	35
Do. pref.	8	6.83	..	...	...	...	...	117	104
Standard Clay	.	...	..	...	...	...	...	40	38
Supertest Pet., c.	50+50c	2.70	37½	36	37½	35	102	40	35
Do. pref.	7	7.40	94½	94½	94½	92½	10	97½	92½
Toronto Brew. (no par)	.	...	8	8	8	9	10	13⅛	8
United Secs., com.	.	...	61	61	61	65	20	70½	43½
Do. pref.	6	5.60	110	107	107	110	60	118	103¼
Volcanic Oil	$1.40	5.00	28¼	27½	28	.27	625	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6½
Wallace Sand	.	...	..	...	...	...	...	3	2⅛
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

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Pulp & Paper

Hearst Makes Success of Brompton Paper by Purchasing Output

Brompton Paper is Likely to Have Most Successful Year — New Newsprint Machine Contributes to Good Fortune — All Mills Working to Capacity

From Our Own Correspondent

MONTREAL. — Everything indicates that the Brompton Pulp & Paper Company will, at the close of the current year, complete one of the most successful, if not the most successful, years in its history. The factors which will contribute to the good showing this year, include the bringing into production of the new 110 ton newsprint machine at the company's Bromptonville plant, and the sale of its sulphite mill at Groveton, N.H. The latter mill had been operated at a loss for some time, and proved a drag on the favorable showing made by the other mills.

The output of the new newsprint unit will, of course, add materially to the company's revenue. As all the mills of the company have been operating at capacity throughout the year, it is anticipated that earnings will be considerably better than last year. Earnings on the common stock last year amounted to $3.50 a share, and it has been estimated that with the new newsprint mill in operation earnings this year will be about $5.50 on the common.

Entire Output

Construction of the newsprint mill at Bromptonville was begun in April 1926, and the machine brought into operation in the latter part of December. It is a 234 inch machine designed to operate up to 1200 feet per minute. It was built by Charles Walmsley & Co. The daily output of the machine has been set at 110 tons a day, although it is rated at 120 tons. Considerable adjusting is necessary before a newsprint mill can be brought up to capacity. Beginning operations in December last, the first shipment of newsprint was made in January. The machine has been tuned up from an average daily production of 53 tons a day in February, to 108.6 in October, and a record run of 116.7 has been established.

Whether the machine will eventually be operated at its rated capacity will, of course, depend on the condition of the newsprint market. Canadian newsprint mills are at the present time running at about 85 per cent. capacity, but Brompton is operating at capacity, as the Hearst papers have contracted for a major proportion of its entire newsprint output.

The new newsprint mill embodies all the most modern ideas in the manufacture of newsprint. It is housed in a one storied building of brick and concrete construction. This has been divided longtitudinally, one half being used for sulphite storage. The newsprint mill occupies the other section.

As the newsprint rolls come from the machine they are taken to the finishing room where they are wrapped and carried by electric trucks to the train shed which has a capacity for six cars.

The plants of the Brompton Pulp and Paper Co. are located at Bromptonville and East Angus, Quebec, while the Claremont Paper Co.'s mills are at Claremont, N.H., and Bellows Falls, Vt., are also owned by the company. The latter mills make sulphite bond and kraft paper.

The company has a groundwood, as well as its new newsprint mill at Bromptonville. Its East Angus mills manufacture groundwood, sulphate, box board, kraft, manila and fibre papers and newsprint. It also operates a saw mill producing 20,000 board feet a day. The capacity of the Canadian mills is 230 tons of newsprint, 60 tons of box board, 60 tons of kraft, 250 tons of groundwood, and 112 tons of sulphate daily.

Surplus of Groundwood

The company sells the surplus of groundwood it does not require for its own needs. Since disposing of its sulphite mill at Groveton, it purchases what sulphite it requires on the open market.

The bulk of the newsprint is sold to the Hearst publications in the United States, but some orders are filled for Canadian orders. The company makes 49 grades of kraft paper ranging from heavy butcher's paper to fine stripped, and white, druggist paper.

During the past year, Brompton added four new rotary digesters and two stationary digesters to its East Angus plant. These are each capable of producing 20 tons of cooked pulp a day.

This year, the company acquired 26,000 acres of timber limits in L'Islet County, from Price Brothers, and the LaCroix limits amounting to 25,000 acres situated in the English Lake district, Bellechase County. Timber from these limits is brought to Lake Aylmer and towed to the St. Francis River, where it is floated down stream to the East Angus and Bromptonville mills.

The company now owns 232,853 acres of freehold lands and has 603,547 acres of Crown timber limits under long term lease. Its total holdings are estimated to contain 7,000,000 cords of pulpwood.

Location of Mills

The location of the mills at East Angus has resulted in a town with a population of 4,000 growing up about the mill. A staff of 745 men is employed in the different mills. Both Canadian mills are located on the banks of the St. Francis River, and the company has its own hydro power station which generates 1,200 horsepower to operate the plants. The steam plant is extremely efficient. It is equipped with automatic stokers, which do the work of a large number of firemen and can feed coal into the furnaces at a ton a time. An idea of the immense amount of work done by these machines may be gained from the fact that 130,000 pounds of steam an hour is produced here, and 185 tons of coal consumed in a day.

The East Angus plant boast of having the oldest sulphate mill on the North American Continent. The sulphate mill established a record output in October of 115 tons in one day.

The Brompton plants are considered to be among the lowest cost producing mills in Canada. Operating under an efficient management, and with adequate orders to keep the machines in continuous operation, the future outlook for the company appears eminently satisfactory.

The Nelson Brewing Co. has obtained permission to erect a brewery at Trail to cost $14,000, with daily capacity of 75 barells. The building will be of cement, three stories, 30 x 100 feet. Excavation work has already begun.

WAYAGAMACK PULP LIKELY TO EXHIBIT LARGE INCREASES

Earnings on New Par Value Stock, After Depreciation, May be Around $10

From Our Own Correspondent

MONTREAL.—Forecasts are being made of the earnings which the Wayagamack Pulp and Paper Company will show for the fiscal year which ends next week. It is said that earnings on the new no par value stock will amount, after depreciation, to around $10 a share. If this be so, it represents a handsome increase over the figures of last year when the company showed $6.50 a share on its 50,000 shares of common stock.

It is natural to expect, though, that earnings will be substantially higher this year, as in the 1926 year Wayagamack showed no earnings from its newsprint mill. The newsprint mill, of course, made profits, but it is operated by a wholly-owned subsidiary, which, it is believed, turned over no profits to the parent company in that year.

It is said that Wayagamack is a low cost producer of newsprint and the figure of $44 per ton has been quoted as the actual cost to the company of making a ton of newsprint. Wayagamack's sulphate pulp and kraft mills should also show increased earnings this year as the market for sulphate has been satisfactory and there has been an increase in the demand for kraft paper. Thus, if the company shows earnings from its newsprint plant in addition to its increased earnings from its older plant, the amount applicable to the common shares will naturally show a very material increase.

The Wayagamack Pulp and Paper Company is the largest producer of kraft paper in the world and while it does a large export business, yet on the situation prevailing in the domestic market for kraft paper, it depends to a large extent for profits. As has been said, the domestic market has been satisfactory this year. Over the past two years there has been a market appreciation in the shares of the company of some 450 per cent. The company is steadily strengthening its position and the management has been conservative in its dividend payments.

"It's an Ill-Wind Etc.!"

From Our Own Correspondent

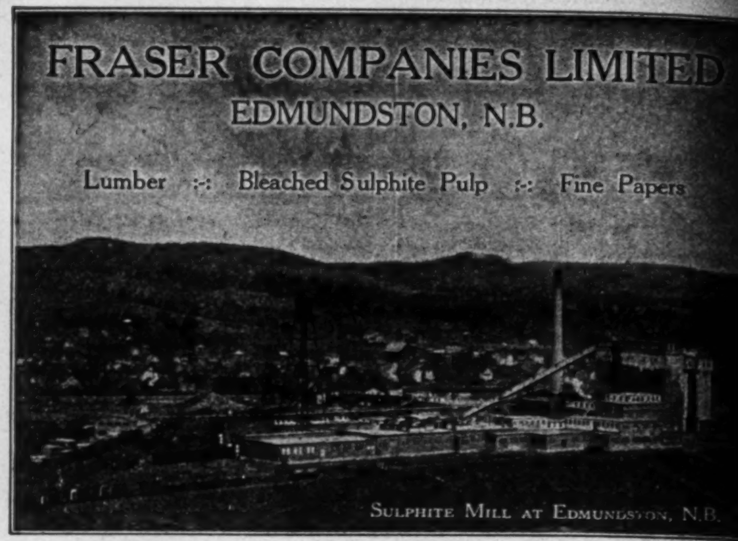
MONTREAL.—There is a possibility that the Canadian newsprint mills will benefit from the recent floods in New England, for not only did the water cause shut-downs and delays in the mills there but in addition, when the mills resume their operations, they will be hampered somewhat by the fact that the floods have also tied up and delayed the railway service in that territory.

Anglo-Canadian Pulp Has New Machine

From Our Own Correspondent

MONTREAL.—It is anticipated that within a week or two, the first hundred ton machine at the Anglo-Canadian Pulp and Paper Mills at Limoilou, Quebec, will go into operation. A proportion of production of this will be absorbed by British newspapers.

Calgary's first biscuit plant, that of the Independent Biscuit Co., has started operations, adding to the city's industrial activities. Branches have been established in Edmonton, Regina, Saskatoon, Moose Jaw, Vancouver and Victoria and the plant has to serve the entire Western Canadian area from Winnipeg to the Pacific coast.


FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers
SULPHITE MILL AT EDMUNDSTON, N.B.

Investment Securities

Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

Abitibi Power & Paper Company
Limited
NEWSPRINT
IROQUOIS FALLS, ONT.

H. S. FERGUSON
Member Eng. Inst. Can.; Am. Soc. C. E.; Am. Soc. M. E.
Consulting Engineer
200 Fifth Avenue, New York City.
Pulp and Paper Mills *Power Developments*

PRICE BROTHERS & COMPANY LIMITED

RIVERBEND
KENOGAMI
JONQUIERE
RIVER ST LAWRENCE
MATANE
RIMOUSKI
PRICE
SALMON LAKE
MONTMAGNY
QUEBEC
BATISCAN
NEWSPRINT MILLS
SAW MILLS
TIMBER LIMITS
NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

Cable Address:
"SAGUENAY, CHICOUTIMI"

St. Maurice Valley Corporation

Successors to

Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited,
Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

DOMINION TEXTILE CO., LIMITED

PRUE

MANUFACTURING

ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

Reflecting the Opinion of an Industry!

Briner Economizers
Licensed Under Patents of E.A.Briner and John E.Alexander

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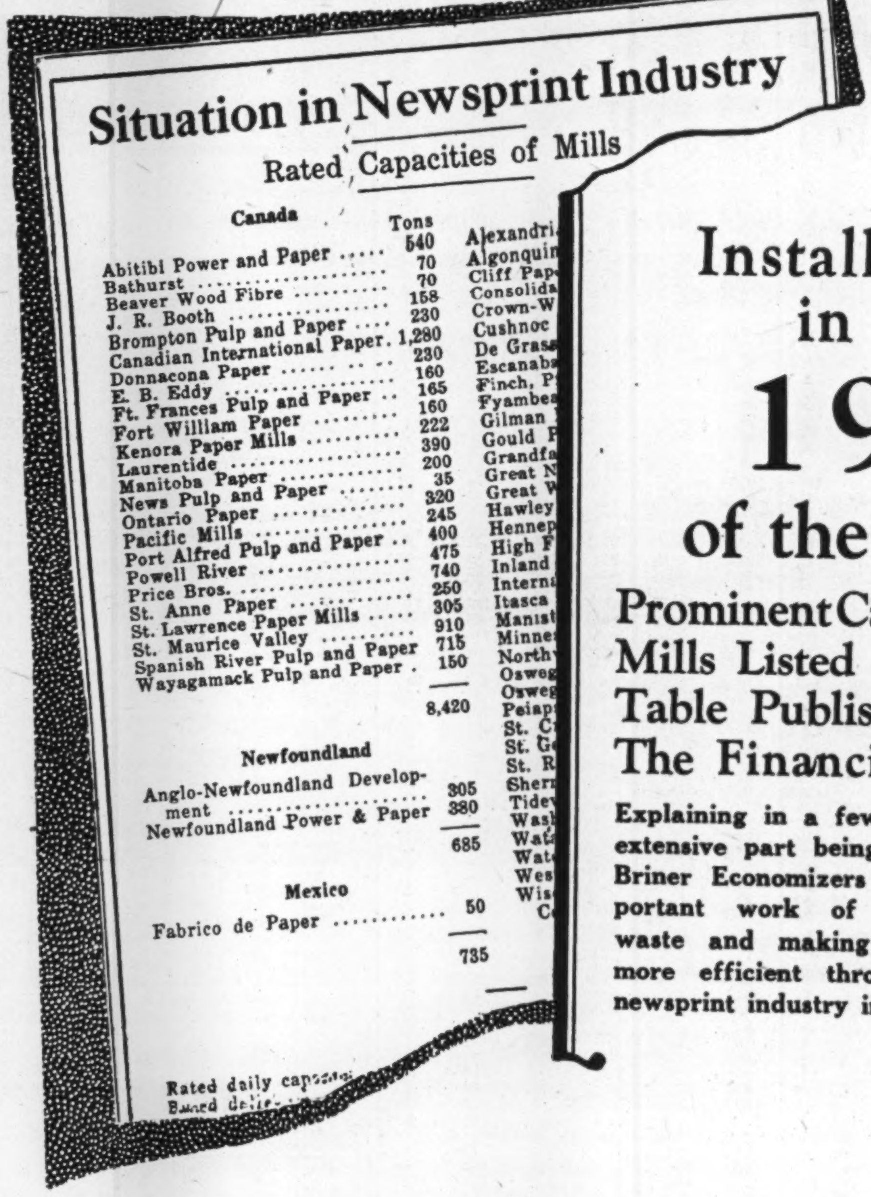

Situation in Newsprint Industry
Rated Capacities of Mills

Canada	Tons
Abitibi Power and Paper	540
Bathurst	70
Beaver Wood Fibre	70
J. R. Booth	158
Brompton Pulp and Paper	230
Canadian International Paper	1,280
Donnacona Paper	230
E. B. Eddy	160
Ft. Frances Pulp and Paper	165
Fort William Paper	160
Kenora Paper Mills	222
Laurentide	390
Manitoba Paper	200
News Pulp and Paper	35
Ontario Paper	320
Pacific Mills	245
Port Alfred Pulp and Paper	400
Powell River	475
Price Bros.	740
St. Anne Paper	250
St. Lawrence Paper Mills	305
St. Maurice Valley	910
Spanish River Pulp and Paper	715
Wayagamack Pulp and Paper	150
	8,420
Newfoundland	
Anglo-Newfoundland Development	305
Newfoundland Power & Paper	380
	685
Mexico	
Fabrico de Paper	50
	735

Alexandri
Algonquin
Cliff Pap
Consolida
Crown-W
Cushnoc
De Gras
Escanab
Finch, P
Fyambe
Gilman
Gould
Grandf
Great N
Great W
Hawley
Hennep
High F
Inland
Interna
Itasca
Manist
Minne
North
Osweg
Osweg
Peiap
St. C
St. G
St. R
Sherr
Tide
Was
Wat
Wat
Wes
Wis
C

Rated daily cap

Installed in 19 of the 26 Prominent Canadian Mills Listed In This Table Published By The Financial Post

Explaining in a few words the extensive part being played by Briner Economizers in the important work of eliminating waste and making production more efficient throughout the newsprint industry in Canada.

ROSS ENGINEERING OF CANADA, LIMITED
NEW BIRKS BLDG.—MONTREAL

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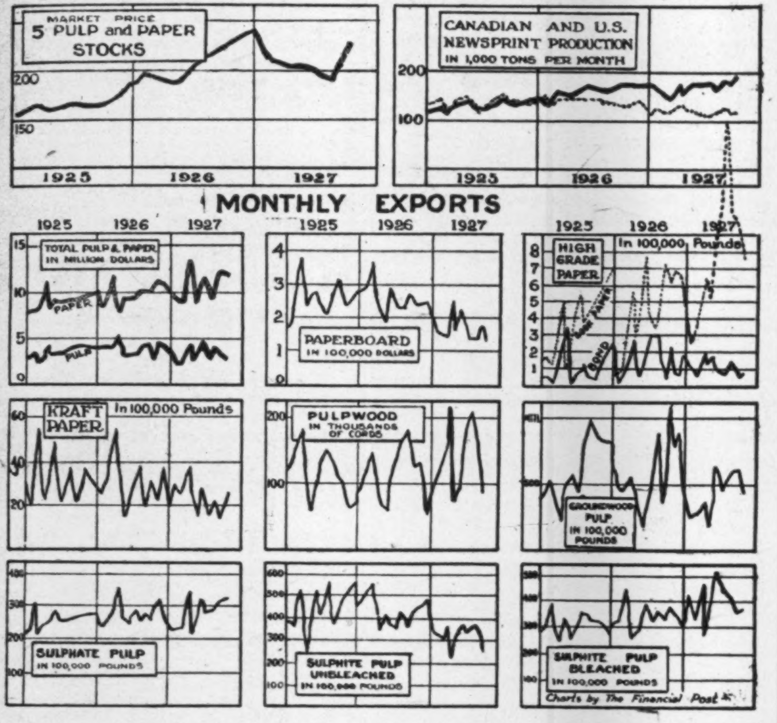
418 HOWE STREET
Vancouver, Canada

Pulp and Paper Trade Has Promising Future, Is Indicated by Figures

Statistics Show That Rise in Common Stocks Over Past Few Months is Not Due to Present Betterment, But to Improvement in Future General Outlook

From Our Own Correspondent

MONTREAL.—The statistical figures of the pulp and paper industry show that the rise in the common stocks over the past few months is due, not to any present betterment in the position of the industry, but to an improvement in the general outlook for the future. At the end of June last the index number of pulp and paper common stocks, prepared by the Dominion Bureau of Statistics, stood at 197.5. The pulp and paper common stocks have steadily risen and at the end of September, the index number stood at 228.9.



Charts by The Financial Post

The accompanying chart shows how the market has appreciated. A study of the other graphs in the chart reveals the fact that the appreciation was due to any betterment in the industry. Why, then, the rise in the level of prices? The answer is seen in the graph which shows the production of newsprint from Canadian and U. S. mills. This graph shows that as Canadian newsprint production is increasing, so U. S. newsprint production is declining. Moreover , last month the Canadian newsprint mills operated at a much higher percentage of capacity than did the U. S. mills. In other words, it seems definitely established that the Canadian industry now occupies the dominant position in the production of newsprint and that the U. S. producers play second fiddle to the Canadian mills. Judging from statistical figures, the sulphite and groundwood pulp sections of the industry have not bettered their positions in the past few months.

Groundwood Pulp

The market for groundwood pulp is still weak and shows no signs of improvement. Canadian exports of mechanical pulp, therefore, have during the past year, shown a decline of about twenty-five per cent. Unbleached sulphite pulp exports have declined during the past twelve months by about twenty per cent.—but offsetting this to some extent, there has been an increase of around twelve per cent. in the exports of bleached sulphite pulp. The position of the pulp industry can be judged by the exports, for the chief market for Canadian pulp is the foreign market. Sulphite pulp prices, like groundwood pulp. are also weak.

The market for sulphate pulp and kraft paper, though, is one of the brighter spots in the industry. Exports for the past twelve months of sulphate pulp show a marginal increase, and while kraft paper exports have declined during the year, yet the decline has been more than offset by the betterment in the domestic market for this grade of paper.

Exports of paperboard during the past year are about thirty per cent. lower than the previous year, but for profits, the Canadian paperboard manufacturers look to the domestic market which, it is understood, has been fairly satisfactory. Over the past year, the exports of pulpwood in cords show about a twenty per cent. increase.

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

BATHURST
BATHURST COMPANY
LIMITED
Groundwood—Sulphite
Kraft—Newsprint—Lumber
BATHURST, NEW BRUNSWICK

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

Wabasso Cottons
are Canada's best

These famous cottons stand up better to strenuous wear and frequent washings. And they retain their fineness of texture, their lasting beauty of appearance much longer.

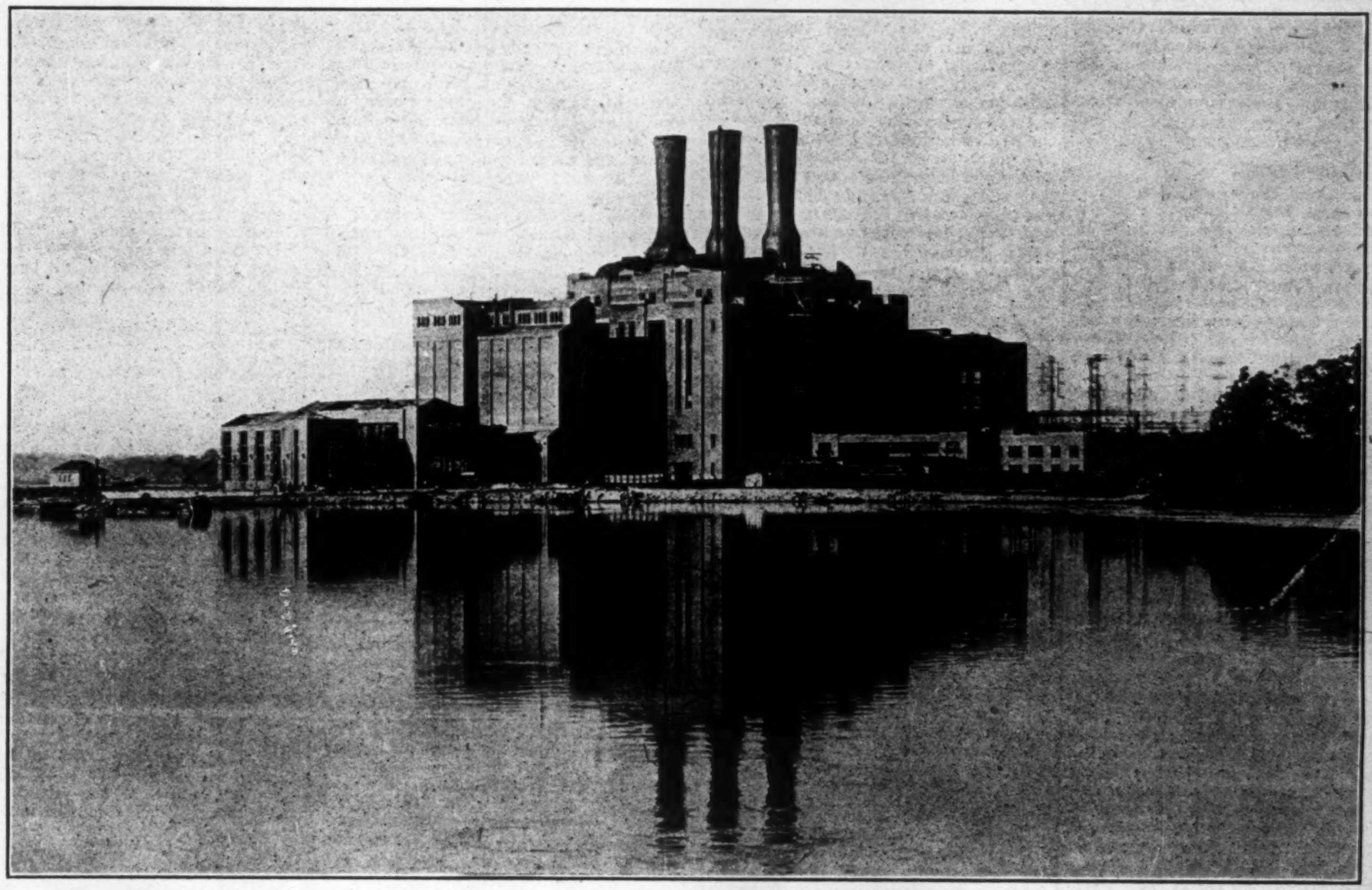
The new WABASSO SILKS "Made from Wabasso Combed Yarns and Rainbow Artsilk" are attractive fabrics. They are as pretty as the Rainbow.

THE WABASSO COTTON COMPANY LIMITED
Three Rivers, Que.

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.



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There are numerous reasons why the Combustion Engineering Corporation is today the outstanding organization of its kind. First, it has on its staff some of the foremost figures in the fields of combustion and steam engineering. Second, its research staff has solved problem after problem relating to the generation of steam energy. Third, by reason of its complete service, it is able to take full responsibility for the installation of any power plant, no matter of what size. Fourth, its guarantees are conservative and dependable. And fifth, it has built up in every industry with which it has come in contact an unsurpassed reputation for work well done.

Whatever your steam generation problem or needs may be, the Combustion Engineering Corporation stands ready and eager to serve you. There is no installation too complex or difficult for us to undertake in confidence, and to complete to your satisfaction.

Combustion Engineering
Corporation Limited
Power Plant Equipment
MONTREAL, TORONTO, WINNIPEG, VANCOUVER

Imperial Bank of Canada in Strong Position

General Manager Presents the Best Report in the Bank's History at 53rd Annual Shareholders' Meeting.

The Vice-President Expresses Supreme Confidence in Canada's Agricultural and Industrial Development.

Sir James Woods, in addressing the Shareholders, said:—

The duty of moving the adoption of the report, which you have just heard read, falls to me this year owing to the temporary absence of Mr. Howland, who, on the advice of his physician, is taking a well-earned holiday. When I tell you that, out of 52 weekly meetings of the Board held during the year, Mr. Howland presided at 51 of them, I think you will agree that he has earned and probably needs a rest. This is the first time he has been absent from the Annual Meeting since his election to the Board in 1906.

The Secretary has just read that "the Directors have pleasure in presenting the Annual Report and Balance Sheet." While agreeing that it is a pleasure to be able to present such a statement, I am not going to attempt to comment on the data submitted, preferring to leave that to our very able General Manager, Mr. Phipps, whom we congratulate on his recent election to the Presidency of the Canadian Bankers' Association, the highest honor which can be accorded a Banker in Canada.

Bank Stocks Popular

The Banking system of Canada furnishes capital for all classes of Canadian enterprise, and is a prime factor in the development of our resources and in the promotion of industry and trade, both domestic and export.

Bank Stocks in both the United States and Canada have become popular. Three months ago Gilbert Elliot & Co., specialists in Bank stocks, ublished a statement giving the earnings and dividends of twenty-four National Banks in the United States, and their average yield at the then market price was 4.01 per cent., based on earnings and 2.81 per cent., based on dividends paid. Compared with the above, the average yield on dividend basis of the eight Canadian chartered Banks at the current market price is 4.69 per cent. This contrast may account for the formation in the United States of two Trust Companies for the express purpose of acquiring shares of Canadian Banks.

Evidence of Growth

The war seemed to bring out all that was best in our people, and their accomplishments in producing war requirements on level terms with the biggest organizations of the United States gave our manufacturers confidence in themselves, and the result is an amazing increase in our exports of manufactured and partly manufactured commodities. Practical science, too, has come to Canada's aid, and a lot of our raw material formerly of little worth is shown to possess unbelievable value.

Evidence of the general growth and prosperity of Canada may be observed on all sides. In 1914 fire insurance policies current in Canada amounted to less than three billion dollars, while to-day they exceed nine billion dollars. Even after allowing for differences in values it is plain that our physical assets have doubled since the outbreak of the war. During the same period deposits in chartered banks and Trust Companies and debentures issued by Trust and Loan Companies have increased from $1,026,299,000 in 1914 to $2,019,804,000 in 1927. In 1914 Canadian citizens owned no Government securities; today a large percentage of Dominion and Provincial Government bonds are held by our own people A more spectacular evidence of the present prosperity of the country is seen in the purchase by Canada during the past year of 159,000 motor cars, valued at $150,000,000

Farmers in Good Postion

A provisional statement of the yield of grain crops in Canada released by the Dominion Bureau of Statistics on the 11th inst, gives: Wheat, as 444,000,000 bushels, against 409,000,000 bushels for 1926; oats, 452,000,000 bushels, against 383,000,000 for 1926; flaxseed shows a falling off of about 20 per cent, while the yield of other grains is approximately the same as for last year Although the acreage sown this year was 40,418,897 acres, as against 40,848,013 in 1926, the yield per acre was greater, wheat averaging 19.03 bushels per acre in 1927, against 17.8 bushels in 1926; oats, 34.2, against 30.1; and rye, 21.6, against 16.1 in 1926. Four good crops in succession have put the farmers of Canada in an excellent position.

Although field crops are the backbone of agriculture, there are surprising returns from the minor pursuits. Take poultry farming, for example, the production of eggs in Canada last year amounted 225,000,000 dozen.

Maple products contributed $7,000,000 to our national wealth; honey, $5,000,000; tobacco, $10,000,000; and the blueberry, which grows wild, swelled our last year's exports by $333,000. The hothouse industry shows a revenue of $4,500,000. The demand for Canada's pure seeds continues to grow, and is practically world-wide, and the work of our Governments along these lines is reflected in the excellence of our own crops.

Farm animals rank third in order of importance among our farm products, field crops coming first, dairy products second. Two things happened affecting our cattle trade. The United States tried to shut us out by tariff; Great Britain tried to let us in by raising an embargo. For a time this switched our exports to the British market, but because of the low price of cattle in Britain, and the high price of cattle in United States our shipments are now largely to the latter market, despite the tariff.

On her geographical position Canada is to be congratulated. Our temperate climate should tend to attract people of closely related races, so that our problems of growth and assimilation need not be difficult, provided we can wait patiently the coming of the immigrants best suited to our conditions, instead of hurrying our expansion by the encouragement of people not fitted to join with us in the formation of a united Canadian nation.

Trade Location

For foreign trade Canada occupies the best site in the Northern Hemisphere. To the South the rapidly growing and extravagant Republic is a very good customer. In the future it will be to their advantage to import more largely from Canada—my belief is they will soon be compelled to. By the Atlantic highway we are nearer the markets of the Old World than any other large producer of raw materials. The demands of the Orient have increased rapidly in recent years, and, with the industrial development of the East, will call for Canadian products in ever-increasing quantities. No other country has such convenient access to three markets such as these.

The long, narrow ribbon which a generation ago connected East and West in Canada has been broadened to a wide belt by the movement of population into the regions more remote from the International boundary. With the discovery of Marquis wheat, and later Garnet wheat, the latter requiring only 100 days from seed time to harvest, the narrow margin of the Prairie Provinces fit for the growth of wheat has been extended far to the North. In Ontario and Quebec a similar promise of Northern development comes from the discovery of the clay belt, the mining regions, and the development of the pulp and paper industries, which utilize the spruce, a timber which had very little value in Ontario and Quebec at the beginning of the present century. At all four points of the compass there is encouragement for Canada in her location in the markets of the world.

Trade Statistics

This year the Government of Canada provided $100,000 to cover the cost of a trade study of the British market. This seems to be very timely, for, while Britain is our best customer, the demand for our products from year to year has been very erratic. In 1920 we supplied 27 per cent. of the bacon imported by Britain, as against 11 per cent. in 1926. Similarly, our share in the egg market fell from 11.4 per cent. of British imports in 1920 to .7 per cent. in 1926. In 1914 we supplied 48 per cent. of the cheese, in 1920 41 per cent., and in 1926 35 per cent. If the studies undertaken show how to hold our markets and gradually increase our share, the money will have been well spent. Exports of Canadian tobacco to Britain have increased 700 per cent. during the last four years as a result of the preferential trade agreement. This is reflected in the rapid extension of tobacco farming in Western Ontario.

Trade With the Orient

In my remarks at the last Annual Meeting I emphasized the importance of China as one of Canada's trade opportunities. The following figures regarding the trade between the United States and China, published by the Department of Commerce at Washington, are of compelling interest to Canada. In 1914 trade between these countries totalled $64,000,000, as compared with $338,000,000 in 1920. China's total foreign trade for 1914 was $604,000,000, as compared with $1,616,000,000 in 1920. Chinese foreign trade in the last fiscal year amounted to $1,511,272,000, which indicates remarkable ability for trading under adverse conditions. In 1926 Canada's exports to China totalled $24,473,446, an amount greater than we exported to any European country, with the exception of Germany.

Fuel and Water Power

In Central Canada, where most of our factories are located, we have no coal fields. In 1926 our imports of coal were more than seventeen million tons (for her share we paid to the United States sixty million dollars). While in the East and West the coal resources are sufficient for many generations, it has so far been regarded as uneconomic to draw even a substantial part of our requirements from Canadian mines. For some years the Governments of Canada have given serious attention to the possibility of making the coal of Nova Scotia and Alberta available for the parts of Ontario and Quebec which are new dependent on imported coal. The advantage to Canadian finance, to the coal-mining industry and to the railways of Canada, of success in this undertaking, would be so great that the project should be very fully explored before it is abandoned. In the last issue of the monthly review of Canadian conditions published by the Canadian Pacific Railway is an account of plans now under way for an extensive use of the low-grade coal of Saskatchewan, and the President of the British Mining Congress has this to say regarding Canadian coal: "If the present endeavors to change coal into fluid fuel capable of displacing petroleum and all its products are successful, the advantage of the United States in having the richest oil deposits in the world will be killed, and Canada will take the place of the United States as the world's provider of liquid fuel."

While Central Canada is not favorably situated from the standpoint of cheap coal supply, this disadvantage is in large part balanced by the great possibilities in water power. In this regard, Canada has a most encouraging record, with a development of 4,290,000 horsepower, as compared with 12,000,000 horsepower in the United States, which has more than twelve times our population. The Falls and Rapids which baffled our forefathers by obstructing free traffic on the waters, contain a wealth of which they did not dream.

Our Mineral Wealth

Much of the general prosperity of Canada at the present time is due to the steady progress in the development of her mineral resources. In 1926 the production of the Canadian mines was valued at over $240,000,000, as compared with $86,000,000 in 1907, and $226,000,000 in 1925. Though the increased value of 1926 over 1925 is only about 6 per cent., the increase in the quantity produced is much greater. This is due to the lower average prices prevailing in 1926 for silver, copper, lead and zinc.

With the exploitation of the established mines at Sudbury, Cobalt, Porcupine and Kirkland Lake, we note with satisfaction the development of new mining centres—lead and zinc in the Sudbury basin, copper at Kamiskotia, and copper-gold at Rouyn. Beyond all these are the regions in which the prospector, the pioneer of the industry, plays his part. The opening of more direct rail communication between Rouyn and our principal industrial and trading centres will hasten the development of the promising deposits on the Quebec-Ontario Border.

During August and September Canada entertained the members of the Empire Mining and Metallurgical Congress, an organization of mining men from all parts of the Empire. Direct study of our mineral resources by such a body of distinguished men is bound to create a wider interest in mining in Canada. As mining developments have such an important bearing on almost every other industry in Canada, we should congratulate the various Governments of the country on the success attained and encourage them to extend all reasonable aid to those engaged in the discovery, development and mining of the treasures hidden within the earth.

Synthetic Fabrics

Rayon, the new name for artificial silk, is the first synthetic fibre. The possibility of imitating silk by human artifice was predicted as early as 1754, but the first synthetic fibre was not produced until 1884. In 1900 a few thousand pounds were produced in one factory; in 1925, 172,000,000 pounds were produced in about 100 factories, and demand keeps ahead of supply.

Courtaulds of England were the first successful operators. Starting with a capital of a few million dollars, they now have capital and reserves of $200,000,000, while the net profits of the parent company and its branches in different parts of the world, this past year exceed $25,000,000.

What special interest has all this for Canada? It is my belief that Rayon will in time rank with newsprint in Canada's industrial life, not in tonnage or money value, but in the matter of employment. The Dominion Government promised Courtaulds tariff protection of 15 per cent. once they opened a Canadian factory. This they did a couple of years ago at Cornwall, and already the size of their factory is being doubled. A second plant, producing Celanese (twin sister to Rayon), has been established at Drummondville Quebec. Synthetic silk made in Canada, of Canadian raw material, will keep millions of dollars in Canada which formerly went abroad, and wood pulp and newsprint sell for a few cents per pound, while Rayon, made from the identical raw material, brings $1.50 per pound. The Courtaulds Canadian output in the past twelve months was 1,250,000 pounds; from now onward they expect to produce at the rate of 4,000,000 pounds per annum. I venture to predict that Canada will be an exporter of Rayon in volume in less than five years.

A Great Development

The development of Hydro-Electric Power on the lower Saguenay to supply power to the great new works of the Aluminum Company and to the new city which is springing up in a sparsely settled part, is an event of great industrial importance to Canada. The first unit of the plant, already in operation, requires 100,000 horsepower, while the whole plan, as planned, is expected to demand one million horsepower, an amount greater than has been utilized by any plant anywhere up to the present time. The capital requirements of this enterprise are $70,000,000. Our exports of manufactures of aluminum during the past year amount to $1,150,000, as against $670,000 during the preceding year. Canada promises to have a future in aluminum, particularly if we can substantially increase the amount we export in an advanced state of manufacture.

A Bright Future

This is the Diamond Jubilee of Confederation. The articles written by our journalists, covering the past sixty years, are full of thrills and romance, but really our era of expansion commenced only about twelve years ago, and it is difficult to find a real Canadian who is not convinced that the happenings of the past twelve years will be dwarfed by the miracles the coming twelve years have in store.

General Manager's Address

Mr. A. E. Phipps addressed the meeting as follows:

Last year I ventured to make the statement that I could see no reason why the fiscal year 1927 should not prove to be as satisfactory to the bank as 1926. The balance sheet and profit and loss statement before you to-day show that my opinion was justified, and I trust that they meet with your full approval. The Bank not only enjoyed a reasonable increase in its business, but its earnings and growth have been greater than in any former year, certainly since I became General Manager.

Strong Liquid Position.

The total assets of the bank, approximately $139,000,000, compare with $132,000,000 a year ago, which at that time was the highest figure at which the assets had ever stood, the growth being some $7,000,000, or at the rate of over $500,000 a month. The profits, which are shown at $1,383,381.58, are also the highest that have ever been shown by the bank in a single year, and, as usual, have been computed after writing off anything of a bad or doubtful nature, and making full provision for all contingencies of every sort and kind. Out of the profits have been provided the usual dividends of 12 per cent. and a bonus at the rate of 1 per cent., absorbing altogether $910,000; the usual contributions to Officers' Guarantee and Pension Funds, $42,500, have been made, also provision for Dominion Government taxes (including a reserve for the current year's income tax), $160,000, and $250,000 has been written off Bank Premises Account. After these deductions we are able to carry forward $1,272,929.81, a sum slightly in excess of the balance brought forward from the 1926 account. This is a very substantial sum indeed, and one which seems to be not always taken into account by investors and others when estimating the value of a bank stock or estimating its position.

Evidence of Growth.

The balance sheet this year needs very little explanation, reflecting merely the growth to which I have alluded. The circulation is unchanged, or, perhaps, a little lower, but quite in keeping with the trend of the times. The circulation of all the banks for September, 1927, stood 4.04 per cent. less than in September, 1926. The falling off I attribute to the later marketing of crops in the Northwest and to the fact that the farmer under the pool agreement receives only partial payment for his grain, thus curtailing the annual expansion of the amount of cash in circulation.

Deposits High Record.

Last year we reported our deposits in excess of $100,000,000 for the first time. This year they are $109,014,919, an increase of roughly $8,500,000 for the year. Most of the increase has taken place in the deposits not bearing interest, reflecting increased activity in the current or business accounts, but there has been a very substantial increase of over $3,000,000 in the deposits bearing interest, which, broadly speaking, means the Savings Department of the bank. It may not be out of place to say here that last year there was included in the interest bearing deposits a special amount (in the neighborhood of $4,000,000) which has since been disbursed, so that the increase in this branch of our business has really been greater than the statement indicates. The other liabilities to the public consist merely of balances due to other banks and correspondents in Canada and elsewhere and are not subject to much fluctuation.

Liquid Position.

Turning to the asset side of the statement, during the year a system was put into effect whereby the settlements for all clearing houses are made daily in one amount in Montreal. This will probably enable the banks as a whole to carry less of their reserves in actual cash in the future, but up to the present we have made little change in our policy and the specie, Dominion notes and foreign currencies on hand amount to nearly $11,575,531, which is practically the same amount as last year. When we add to this the deposit in the gold central reserves, cheques on other banks, balances due by other banks in Canada, the total cash amounts to upwards of $28,000,000, or $1,000,000 more than a year ago, and equals 22.92 per cent. of the bank's liabilities to the public. Our second line of reserves, Dominion and Provincial Government securities and other readily realizable assets, such as Call Loans in Canada and New York, Loans to Provincial Governments and the Municipalities, and so on, all of which can be really classed as immediately liquid investments, amount to $48,000,000, an increase of $6,000,000 for the year, and when added to the cash on hand bring out a total of liquids of $76,487,604, more than $7,000,000 in excess of a year ago, and equal to 62.18 per cent. of liabilities to the public.

Current Loans.

The Current Loans, at slightly over $55,000,000, are practically unchanged from last year. We would like to see this department of our business a little larger, but satisfactory additions to the Current Loans are hard to obtain, the growth over the whole of Canada for the year ended September being only 8 per cent. Like the Circulation, the Current Loans in the Fall months are being affected by the operations of the Western Wheat Pool, which borrows against the grain it buys from the farmer only enough to pay him a portion of its cost, and by its regular methods of marketing is able to move the crop with minimum borrowings from the banks; also, as time goes on, more liquid capital is being introduced into business through public borrowings, particularly into large concerns, with the result that banking accommodation is not required to the same extent as formerly. Consequently banks have to look more and more to the investment field, and to Call and Short Loans to provide employment for their funds. Our own Call Loans in Canada showed an expansion of $4,500,000 during the year, which is about in keeping with the expansions shown by other Banks, according to the Governments Returns. These loans are well selected and passed upon by the Board of Directors as well as the management, and up to the present time have not occasioned the Bank the loss of a single dollar, but naturally they are not as remunerative as commercial loans.

The Bank's Premises.

The only other important account is the Bank Premises account, which stands just below $5,000,000, as it did a year ago. This year $250,000 has been written off, which amount practically offsets our expenditures on premises during the year. New buildings were acquired or erected at Walkerville, Ont., Sioux Lookout, Ont., Niagara Falls South, Ont., Rogers Road and Oakwood Avenue, and Rogers Road and Silverthorn Avenue, in Toronto, and smaller premises were acquired at Gold Pines, in the Red Lake Mining District, and at Elk Lake, in Northern Ontario. Another interesting feature in connection with the Bank Premises account is that we recently agreed on the amount to be paid the Bank by the City of Toronto for the leasehold property we are being dispossessed of at the corner of Yonge and Bloor Streets, at a figure which we consider fairly satisfactory. A suitable lot has been purchased on the west side of Yonge Street, just north of Bloor, and an attractive office will be built during the Winter months. Extensive alterations and additions were or are being made to the Bank's Offices at Adelaide and Victoria Streets, Kingston Road and Balsam Avenue, in Toronto, and at Banff and Edmonton Branches in the Province of Alberta.

New Branches.

The increasing prosperity of the country led to an increasing interest on the part of the Banks in new territory and the opening of new Branches. We found it advisable to take a moderate part in this movement, and Branches of the Bank have been opened or arranged at Oakwood Avenue and Rogers Road, Silverthorn Avenue, and Rogers Roard, Bloor and Durie Streets, all in the City of Toronto. At Noranda and Dolbeau, in the Province of Quebec; at Gold Pines, in Ontario, and at Mayerthorpe and Eckville in the Province of Alberta. One branch at Sparta, Ont., has been closed. We now have 187 branches.

The Staff.

The staff consists of 1,304 officers. The growth of the Bank necessitates a constantly growing number of employees. The staff during the year have, if anything, been more efficient than ever, and I have much pleasure in again testifying to their loyalty. As a small measure of our appreciation, the Board have inaugurated a system of group life insurance, which we expect will prove of great benefit, particularly to the young married men on moderate salaries, and we trust we will have your approval of this innovation.

Our Shareholders.

The Shareholders of the Bank now number 2,605, compared with 2,587 a year ago, an increase of 18. In common with other banks our shares have been more or less extensively bought recently by citizens of the United States, who are evidently alive to the attractiveness of investments in Canadian Bank stocks. Although the number of American investors is considerable, the actual number of shares involved so far is not of any great consequence. It would appear, however, that if the Canadian Banks continue to prosper there will be more and more inquiries for the shares from the other side of the line, and Canadian shareholders need not be in a hurry to dispose of their holdings.

I will not detain you with remarks on general conditions or business in Canada or in the rest of the world, the custom being for the President to act as the Bank's mouthpiece on such subjects. Even if I attempted to do so, the very able addresses you have just listened to by Sir James Woods and Mr. Rolph would leave me little or nothing to say. The General Manager may, however, quite properly give his opinion on the conditions and prospects of the banking situation and his bank's business in particular. I am satisfied that the statements appearing from time to time will show that Canadian Banks as a whole have had a very satisfactory year, earnings being well up to the average, with losses lighter than for a number of years past.

Control Speculation.

Viewing general conditions as affecting the Bank's business, I see nothing to suggest that the present favorable state of affairs will not continue for another year, and perhaps for several years to come. There is one element, however, in the situation which might easily become dangerous. I refer to the unlimited amount of speculation that is going on in stocks and shares of every description. To my mind, it is a boom that is taking place, and, just like other booms, those who are engaged in buying that kind of securities are buying them, not because they want them, or because they think they are worth what they are paying for them, but because they think somebody else will pay them more for the same securities tomorrow or next week. This will only go on so far, and when the apex has been reached, if the situation follows the course of other booms, everybody will want to sell at once, and there is where the trouble will develop for the banks, as well as the public. For our part, although we are quite willing to assist legitimate investment, and even in worthy cases moderate speculation, we are doing everything we can to restrain and control the situation, and I believe that my colleagues in the other banks are following a similar course.

One word more: Last year, in closing my remarks I expressed the hope that when the Budget was announced some consideration would be given capital and some relief to business in the way of reduction of taxes. I am happy to be able to record that during the year there was a slight reduction in the Income Tax, and that what were deemed nuisance taxes, particularly the Stamp Tax, were either abolished or very considerably ameliorated, and I am glad to make my acknowledgment to the Finance Minister for this. The repayment this year of $110,000,000 of the public debt without any refunding operation, other than some short-term assistance afforded by the Banks, is an operation of which the Hon. Mr. Robb and his colleagues at Ottawa may well be proud, and perhaps give us cause to hope for some further reduction in the Tax on business when Parliament meets again next Spring.

NOTICE

PORT ALFRED PULP AND PAPER CORPORATION

Notice is hereby given that a quarterly dividend of 1¾ per cent. (being at the rate of 7 per cent. per annum) on the 7 per cent. Cumulative Preferred Stock of this Corporation, for the quarter ending Dec. 15th, 1927, will be payable on that date to Shareholders of record Dec. 1st, 1927.

By Order of the Board.

A. WAGNER,
Secretary.

Montreal, Nov. 18th, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of the Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Redemption of Bonds by Sherwin-Williams is Feature of Report

Demand for Company's Products Continues to Increase and Advancement in All Branches is Anticipated For Coming Year

From Our Own Correspondent

MONTREAL.—The redemption of the bonded indebtedness of the Sherwin-Williams Company of Canada, was the outstanding feature of the company's financial statement which was substituted to the shareholders at the annual meeting of the company this week. The bonds redeemed amounted to $1,749,066.

In submitting the balance sheet of the company for its fiscal year ended August 31, William Shepherd Fallis, the president, pointed out that the bonds had been redeemed by the sale of the company's investment in the preferred stock of Lewis Berger & Sons, and that the gross earnings of the company had therefore been decreased by an amount equivalent to the dividends on this investment.

Gross earnings amounted to $831,904, as compared to $982,933 in 1926.

Redemption of the bonds also affected working capital, this item on the 1927 balance sheet amounting to $3,890,988, as compared to $4,016,927 for the preceding year.

The bonds redeemed were 6 per cent. first mortgage sinking fund bonds due July 31, 1941. These were called for redemption January 1 last. As a result, the charges for bond interest for the year were reduced to $27,919 from the previous charge of $108,867, and this charge was completely wiped out from January 1.

Depreciation charges amounting to $141,069 show an increase of $4,933, but this is more than compensated for by the amount charged to tax account being $37,300, as compared to $43,500 in 1926. A special charge of $65,600 spent on repairs to the factory last year is absent from this year's balance sheet. On the other hand, the amount reserved for pensions appears as $31,576, as compared to $6,939 in 1926.

The gross earnings of the company amounted to $831,904, from which deductions of $141,069 were made for depreciation, $27,919 for bond interest, $37,300 for taxes, and $31,576 for pension fund. Preferred dividends amounted to $240,450, leaving net earnings at $353,590, which would mean earnings of 8.84 per cent. on the outstanding common shares as compared to 9.53 last year.

Dividends on the common stock amounted to $240,000, leaving a surplus for the year of $113,590. This with the previous surplus of $3,907,231, brought forward, gave a profit and loss balance of $4,020,821.

Conservative Policy

In submitting the report of the Board of Directors, Mr. Fallis stated that following the conservative policy of the board, certain expenditures in connection with the development of the business had been charged against the year's operations. The lacquer department had been placed on a most efficient basis and adequate provision made to develop this new and important branch of the industry. Owing to the expansion of the company's business, warehouses had been opened during the year at Regina, Ottawa, and St. John. The expenses in connection with the development of these facilities were provided for out of profits for the current year.

Mr. Fallis said the demands for the company's products continued to increase, and that an advancement in all of the company's branches was anticipated for the coming year.

A comparison of income figures for the past three years follows:

	1927	1926	1925
Earnings	$ 831,904	$ 982,933	$ 907,239
Depreciation	141,069	136,136	133,850
Balance	$ 690,835	$ 846,797	$ 773,389
Bond interest	27,919	108,867	119,997
Balance	$ 662,916	$ 737,930	$ 653,392
To tax acct.	37,300	43,500	54,193
Balance	$ 625,616	$ 694,430	$ 599,199
*Spec. charges	......	65,600	......
Balance	$ 625,616	$ 628,830	$ 599,199
Pfd. divs.	240,450	240,450	240,275
Balance	$ 385,166	$ 388,380	$ 358,924
Pensions fund	31,576	6,939	7,197
Net earnings	$ 353,590	$ 381,441	$ 351,727
Com. divs.	240,000	240,000	240,000
Balance	$ 113,590	$ 141,441	$ 111,727
Prev. surplus	3,907,231	3,919,762	4,008,036
Balance	$4,020,821	$4,061,203	$4,119,763
Spec. deprec.	......	......	200,000
Balance	$4,020,821	$4,061,203	$3,919,763
Bd. prem. pro.	......	153,970	......
P. & L. bal.	$4,020,821	$3,907,233	$3,919,763
P.C. on com.	8.84	9.53	8.70

The working capital position of the company for the past three years follows:

	1927	1926	1925
Curr. assets	$5,131,767	$5,095,735	$5,098,134
Curr. liabs.	1,240,779	1,078,808	1,308,484
Work. cap.	$3,890,988	$4,016,927	$3,789,645

It is interesting to note from the very artistically produced brochure presenting the balance sheet to the shareholders that 97 per cent. of the securities of this company are held by Canadians; 98 per cent. of the company's pay roll are Canadian employees, and that 90 per cent. of the materials used are produced in Canada.

The Dominion furnishes the lead and oxide, Canadian forests supply the box factory every week with thousands of feet of timber, and over a million bushels of Canadian flax seed is used in the production of linseed oil, and linseed oil cake meal. The mines of Nova Scotia furnish annually thousands of tons of coal for the plants of this concern in Eastern Canada, while those of Alberta and British Columbia supply the factories in Winnipeg and Vancouver, respectively.

Canadian transportation companies secure over $1,000,000 annually through handling Sherwin-Williams freight, and finally, to emphasize the fact that this concern is in every sense of the word a Canadian institution, it is pointed out that Canadian-made paints, varnishes, lacquers, dry colors, and hundreds of tons of Canadian insecticides are part of the annual output of this industrial organization.

Winnipeg Electric's Common Shows Signs of Upward Turn

From Our Own Correspondent

MONTREAL.—The common shares of the Winnipeg Electric Company have distinguished themselves by moving over par for the first time in a good many years. The strength in the shares is no doubt due to the probability that the stock will definitely go on a $3 of a $4 dividend basis next year.

Winnipeg Electric shares have been very slow in responding to the satisfactory news emanating from Winnipeg over the past year or so. The lag between the appreciation in the stock and the satisfactory betterment in the situation surrounding the company is probably due to the fact that shares for a number of years held no particular investment merit. The action of the stock is simply indicative of the fact that it takes a long time to gain investment confidence. In former days Winnipeg Electric common sold at high levels, but many difficulties beset the company with the result that investors lost a great deal of their confidence in the stock.

Shareholders of Abitibi Consent to Merger

From Our Own Correspondent

MONTREAL.—Without discussion and without a dissenting vote the shareholders of the Abitibi Power and Paper Company at the special general meeting ratified the proposals of the directors leading to the merger with Spanish River and the other associated companies.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

Notice is hereby given that all of the outstanding Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on January 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Trust Deed, on the First day of December, 1927, at par with a premium of ten per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on December 1st, 1927, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on December 1st, 1927, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Province of Manitoba
Thirty-year 4% Bonds
Due December 1st, 1957. Principal and half-yearly interest payable in Toronto, Montreal, Winnipeg, Regina, Vancouver, St. John or New York.
Denominations: $1,000 and $500.
In population, Manitoba is the fourth largest Province in Canada. In addition to its agricultural importance, the Province has made rapid strides industrially and financially. Manitoba's finances have been well administered and are in sound position.
Price: 93.75 and interest, yielding 4⅜%
Descriptive circular will be furnished upon request.
Wood, Gundy & Company
Limited
Winnipeg 36 King Street West Montreal
Hamilton Toronto New York
London, Ont. Telephone: Elgin 4321 London, Eng.

IN ONE INVESTMENT
80 leading companies in sound essential industries
Collateral Trustee Shares
of the
NEW ENGLAND INVESTMENT TRUST, INC.
represent the ideal way of making a diversified stock investment and, at the same time, obtaining expert supervision which will constantly protect the investment
Present price to yield about 7½%
COLLATERAL INVESTMENTS
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J. M. Robinson, President R. H. Neilson, Manager
190 ST. JAMES STREET, MONTREAL
Complete information regarding this exceptionally attractive investment will be sent on request.
You may send me without obligation circular giving details of an investment in the Collateral Trustee Shares of the New England Investment Trust, Inc., to yield about 7½%.
Name ....
Address ....
....

GROUND WOOD PULP FOR SALE
Four hundred tons of ground wood pulp at $10 per ton below cost of production. Freight rate to New York $2.25 per ton. Address "Ground Wood," c/o The Financial Post, Toronto 2, Ont.

IMPERIAL BANK

OF CANADA

FIFTY-THIRD ANNUAL MEETING OF SHAREHOLDERS

The Annual General Meeting of the Imperial Bank of Canada was held at the Head Office in Toronto on Wednesday, 23rd of November, 1927.

The Directors' Report and Statement of Affairs of the Bank for the year ending 31st of October, 1927, were presented as follows:—

THE REPORT

The Directors have pleasure in presenting to the Shareholders the Fifty-third Annual Report and Balance Sheet of the affairs of the Bank as on 31st of October, 1927, together with Statement of Profit and Loss Account showing the result of the operations for the year.

The balance at credit of Profit and Loss Account brought forward from last year was	$1,252,148.23
Profits for the year ended 31st of October, 1927, after deducting charges of management, Auditors' Fees and Interest due Depositors, and after making full provision for bad and doubtful debts and for rebate on bills under discount, were	1,383,281.58
Making a total at credit of Profit and Loss Account	$2,635,429.81
This amount has been appropriated as follows—	
Dividends at the rate of 12% per annum	$ 840,000.00
Bonus of 1% for the year	70,000.00
Annual Contribution to Officers' and Employees' Pension and Guarantee Funds	42,500.00
Written off Bank Premises	250,000.00
Dominion Government Taxes paid and reserved	160,000.00
Balance of Account carried forward	1,272,929.81
	$2,635,429.81

During the year Branches of the Bank were opened at Oakwood Avenue and Rogers Road, Silverthorn Avenue and Rogers Road, Bloor and Durie Streets, all in the City of Toronto; Gold Pines, Ontario; Tecumseh Road, Walkerville, Ontario, and also at Noranda and Dolbeau in the Province of Quebec. The Branch at Sparta, Ontario, has been closed.

The Head Office and Branches have as usual been carefully inspected during the year, and the Auditors appointed by you have also made their examinations as required by law. Their report and certificate is attached to the Balance Sheet. Under the Bank Act a change will require to be made this year in one of your Auditors.

During the year a scheme of Group Life Insurance for the benefit of the Staff, effective as from 1st of December, 1927, has been inaugurated, the premium upon which will be paid by the Bank.

The Directors have again much pleasure in bearing testimony to the satisfactory manner in which the various officers of the Bank have discharged their respective duties.

All of which is respectfully submitted.

J. W. WOODS,
Vice-President.

Toronto, November 22nd, 1927.

LIABILITIES

Notes of the Bank in circulation		$ 10,481,390.00
Deposits not bearing interest	$23,943,670.76	
Deposits bearing interest, including interest accrued to date of Statement	85,071,249.17	
		109,014,919.93
Balances due to other Banks in Canada	$2,084,550.02	
Due to Banks and Banking Correspondents in the United Kingdom	73,061.84	
Due to Banks elsewhere than in Canada and the United Kingdom	357,138.51	
Letters of Credit Outstanding	834,624.29	
		3,349,374.66
Total Liabilities to the Public		$122,845,684.59
Capital Stock paid in	$7,000,000.00	
Reserve Fund Account	7,500,000.00	
Dividend No. 149 (payable 1st of November, 1927) for three months at the rate of 12% per annum	210,000.00	
Bonus of 1% payable 1st of November, 1927	70,000.00	
Unclaimed Dividends	582.75	
Balance of Profit and Loss Account carried forward	1,272,929.81	
		16,053,512.56
		$138,899,197.15

ASSETS

Current Coin held by the Bank	$ 988,057.56	
Dominion Government Notes	10,371,468.00	
United States and other Foreign Currencies	216,006.40	
		$ 11,575,531.96
Deposit in the Central Gold Reserves		3,764,466.66
Deposit with the Minister for the purposes of the Circulation Fund		342,712.36
Notes of other Banks		860,944.00
Cheques on other Banks		8,700,232.58
Balances due by other Banks in Canada		605,570.76
Due from Banks and Banking Correspondents in the United Kingdom		411,120.76
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom		1,946,697.04
		$28,207,276.12
Dominion and Provincial Government Securities not exceeding market value	$14,034,771.10	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	6,021,768.48	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	61,602.44	
		20,118,142.02
Loans to Provincial Governments	$ 3,373,709.61	
Loans to Cities, Towns, Municipalities and School Districts	6,827,566.65	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	13,560,910.12	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	4,300,000.00	
		28,062,186.38
		$76,387,604.52
Other Current Loans and Discounts in Canada (less rebate of interest), after making full provision for all bad and doubtful debts		55,202,801.63
Non-Current Loans estimated loss provided for		162,694.94
Real Estate other than Bank premises		365,642.30
Mortgages on Real Estate sold by the Bank		679,515.87
Bank Premises, at not more than cost, less amounts written off		4,990,342.52
Liabilities of Customers under Letters of Credit as per contra		834,624.29
Other Assets not included in the foregoing		275,971.08
		$138,899,197.15

J. W. WOODS,
Vice-President.

A. E. PHIPPS,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS.

We report to the Shareholders of the Imperial Bank of Canada:—

That we have audited the above Balance Sheet as at October 31st, 1927, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, C.A.
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.
of Price Waterhouse & Co.

Toronto, November 18th, 1927.

The Vice-President in his address reviewed general business conditions and the General Manager commented upon the different items in Balance Sheet.

Messrs. A. B. Shepherd, C.A., of Peat, Marwick, Mitchell and Company, and A. W. Cole, C.A., of Macintosh, Cole and Robertson, were appointed Auditors for the ensuing year and other customary motions were made and carried unanimously.

The following Shareholders were elected Directors:—Peleg Howland, Sir James Woods, Sir James Aikins, K.C. (Winnipeg), Lieut.-Col. J. F. Michie, Frank A. Rolph, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw and John A. Northway.

At a subsequent meeting of the Directors, Mr. Peleg Howland was re-elected President, and Sir James Woods, Vice-President, for the ensuing year.

J. W. WOODS,
Vice-President.

A. E. PHIPPS,
General Manager.

THE FINANCIAL POST
Member Audit Bureau of Circulations
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Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Managing Editor—FLOYD S. CHALMERS

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

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TORONTO, NOVEMBER 25, 1927

FIGHTING THE BANDITS

IT HAS never been seriously argued that the man who has a fire should be specifically taxed to pay the cost of upkeep of the fire department; nor that those who are robbed should pay the police a fee for tracking down the robbers. The safety of the individual is the basis of the safety of the whole city or state and, that being so, the whole city or state divides up, according to ability to pay, the cost of maintaining the necessary protective services.

In Toronto a certain group of civic aldermen would throw sound civic principles to the four winds. Their suggestion is that no additional protection should be given to banks against bandits but that the banks should be allowed to provide for any additional protection that is necessary. This revolutionary theory is linked with their opposition to the request of the chief of police of Toronto for an enlarged force of constables. Without arguing the merits of the chief's request nor even discussing what is the limit of protection a city may reasonably be expected to give the individual, one may quail at the dangers inherent in the principle that would require any individual or corporation to pay for protection which the city should supply.

Railway companies provide their own constables. Express messengers and bank messengers are armed. Payrolls are carried in armored cars. In these and other ways, large corporations protect their own valuables. But they are entitled to expect that every reasonable effort will be made by the city to prevent armed bands of robbers from riding around the streets in stolen cars, holding up banks at will.

Nor is the safety of the corporation or bank dollar the only consideration. Robberies and hold-ups often cost human lives and if the employee of a bank or pay office is not considered important, the so-called innocent by-stander, it should be so-called, is in as much danger as the messenger or bank clerk.

Crime is contagious. If one group of desperadoes is given free rein, other groups will become bolder. The state spends thousands of dollars to hang one murderer, not because the citizens are thirst for that one human's blood but in order that murder may be checked. Similarly bank bandits have to be fought, at all costs, to keep crime at the minimum.

The corporation deserves protection as much as the individual.

Citizens are taxed for their own benefit. The money derived from taxation is utilized to provide them with necessary public services; to provide for the safety of life and property; to educate the young mind; to provide recreational and reading facilities for all ages; to provide the physical city as well.

Rough and ready as are our civic tax methods, it is fair to consider that they are based upon the twin pillars of ability to pay and the extent of the service received from the city. And in turn each citizen is entitled to such share of the benefits conferred as is necessary for his safety and comfort.

Corporations should rank as individuals in any consideration of taxation and civic benefits.

It is up to the city and the state to fight the bank bandit. The banks must be aggressive allies but they cannot fight the battle alone.

GOOD, AFTER ALL

POLITICAL economy was a front page story while the discussion raged on instalment selling. The sudden increase in the partial payment plan of merchandising, particularly as applied to automobiles, brought with it a variety of problems and opportunities that were difficult to weigh in the balance. Whether instalment selling brought with it an excess of evil or an excess of good was a subject of much debate.

It is two and a half years since The Financial Post ran a series of ten articles on the subject of instalment selling. The discussion was young then; the conclusions drawn in the articles have, however, remained practically unchallenged as a result of the long discussion.

The most complete and authoritative summary of the question of instalment selling is that prepared by staff and students of Columbia University, New York, under the direction of Professor Edwin R. A. Seligman.

The findings and conclusions of Professor Seligman may be summarized as follows:

The usual estimates or guesses of 75 to 80 per cent. as the proportion of automobiles sold on instalments are wrong. Actual compilation of figures provided by thousands of dealers accounting for hundreds of thousands of sales in all price classes show that a little less than 60 per cent. represents the true proportion of automobiles sold on instalment.

There are no greater risks attending consumers' credits than producers' credits if properly administered; and they are in fact more liquid.

Frozen credits are not a concomitant of instalment selling. The theory that a business depression would be considerably aggravated by outstanding consumers' credits is not confirmed by investigation. An elaborate study of the situation in a period of almost complete depression caused by the coal strike in Eastern Pennsylvania a few years ago showed that there was even an advantage in instalment credit over general bank credit.

It showed that it is precisely in bad times that bankers are compelled to continue to extend credits of doubtful soundness, whereas in instalment credit the volume of outstanding paper diminishes constantly.

Protracted investigations showed that the losses connected with instalment paper are very small; that in the proper administration of the system the finance company should be a dispenser of credit and not a seller of automobiles, which lends force to the principle, and brought forth the conclusion, that the only legitimate system is the "recourse" one, that in which the seller accepts responsibility for the credit.

Instalment selling has increased production, stabilized output, reduced production costs and increased purchasing power.

There is no fixed saturation point in progressive society: no limits to the growth of demand. If the possibilities of output are boundless, the possibilities of consumption are still more so.

The instalment plan induces the consumer to look ahead with greater care and to plan his economic program with a higher degree of intelligence. It not only tends to strengthen the motives which induce an individual to pay but also influences his capacity to do so.

Instalment credit is beginning to do for the consumer what the gradual development of the commercial banking system has done for the producer. If the credit is restricted to the proper commodities, under proper management, it will gradually throw off its abuses and will stand forth as one of the most signal contributions of the twentieth century to the potential creation of national wealth and national welfare.

Instalment selling is not so much of an evil after all. But let Professor Seligman's qualifying remark be emphasized. Instalment selling must be "restricted to the proper commodities under proper management."

NON-VOTING COMMON

CANADIAN investors recently have absorbed without question some thousands of shares of common stock which has no voting power. Another class of common shares in the company issuing this stock, which has not been offered to the public, is the voting stock. It is held by the insiders and ranks equally with the other class for dividends.

Shareholders do not often exercise their voting privilege. So long as the affairs of the company apparently are in a satisfactory state, proxies are sent to the management as a matter of course, or ignored altogether. But if a company with the sole voting stock in the hands of the management gets into difficulties, the investors who have put the only real money into the enterprise will find it convenient to have invested in a common stock without voting power.

Non-voting common stock offered to the public as investment is something which should be viewed with misgiving, although, in the instance in mind, there is nothing to indicate that the rank and file of shareholders ever will need to be concerned over their disfranchisement.

BIG BILL'S IN CANADA

CHARLES VINING, who was sent by the Toronto Star Weekly to interview Mayor William Hale Thompson, of Chicago, writes an exceedingly interesting sketch of the man who has assuredly made an ass of himself by his anti-British campaign. Mr. Vining writes with an open mind. He does not present Big Bill as the type of man who could deservedly receive the "grand cross of the American Legion of Honor" which is the way an American watch company advertises its presentation watches, one of which, according to a list they publish, includes William Hale Thompson among others. But Mr. Vining does make him appear human.

Mr. Vining indicates that Thompson is one of a class of people who exist in every country. There are representatives of that class in Canada, and they are always able to discern signs of pro-American propaganda in Canada and to find insidious Yankee influences at work in our political and educational systems. Fortunately we have not had any mayors recently who have publicly fostered these Yankeephobic suspicions. Our mayors have contented themselves with such intra-national fools play as protesting against daylight saving as an interference with "God's time" or proposing that it would be cheaper to refund robbery losses to the banks than to increase police protection.

We do not have to have Big Bill's to speak for our anti-American population. They speak for themselves in private conversation. And they are only marginally less foolish than the mayor of Chicago.

WHAT IS ADVERTISING?

MANY a company manufacturing a certain product write letters to its shareholders advising them of its progress in connection with the manufacture of that product. One can see no harm in that. But a pointed problem is raised when it does so. Is it merely giving information to its shareholders or is it advertising?

A Toronto brewery has sent a letter addressed to the shareholders. The letter points out that the first product of the company, a lager known as "Liberty Beer," was placed on the market about July 20. Since then the company has put on the market a 4.4 beer, "White Ribbon." On or about Saturday, December 3, the company will have for sale a high-grade old export ale, "Black Diamond," that will compare favorably with any similar product in the province.

The directors hope, says the letter, that the shareholders will take every opportunity of putting in a good word for "Liberty Beer," "Black Diamond Ale" and "White Ribbon Beer" to their friends and acquaintances, because in this way the volume of business will be much greater.

What does Mr. Hanna, the strong man of Ontario, who is chairman of the Board of Liquor Commissioners, think of such a letter? Does he consider it advertising? Will he tell the directors they must not send out any more such letters?

But here is a more important question. When is Mr. Hanna going to put an end to his silly ban on advertising, a ban which has not been enforced because Mr. Hanna's position in attempting to enforce it is weak and he knows it.

SPACE-GRABBING

WHEN a public utility corporation gives an item of news to a newspaper it is charged with trying to grab free space. When a pin-headed alderman from a minor ward sets out to attack the utilities it is big front page news. This is the situation on a number of Canadian newspapers.

A leading American public utility executive voices the complaint in this manner:

"Our industry is not unique in this. Other industries have similar experiences. Familiar examples are the multitude of head-lined proposals for putting the government into business in competition with or to the exclusion of existing businesses, as well as proposals for 'curbing'—that 'curbing' is a pet word of space-grabbing propagandists—or otherwise dealing with this, that or the other industry.

"The public utility industry may at present be getting an undue share of attention from that particular breed of space-grabbers because it is so large, although relatively so new, and therefore, conspicuous. But on the whole the intrinsically worth-while doings and developments of business and industry generally appear to receive far less newspaper attention than statements, proposals and enterprises inimical to business and industry.

"Let the propagandists propose 'curbing' the public utilities in any respect and they get on the first page or near it. The utilities expend brains, energy and much money on real developments of inestimable value to the general public and get—maybe—a paragraph over near the want ads.

"The American Gas Association Testing Laboratory at Cleveland, for example—an institution for standardizing safety and efficiency in gas ranges and all other appliances—is of vastly more practical, tangible value to the public than any 'curbing' proposal within my time. But if we suggest that 'news' of that kind deserves more space than it gets, use of the advertising columns is intimated."

Speaking for an industry that spends $25,000,000 to $30,000,000 a year in newspaper space and that provides a service of untold value to the general public, this leader was justified in making his complaint.

Newspapers that will not run a constructive announcement from a public utility or business corporation because they think it should go in the paid advertising columns, will give any amount of free space over to attacks on the same company.

Apparently public utility baiting is news as it always has been. Some day it will be so rare as to be news only because of its rarity.

All public utility corporations are not giving good service, but most of them are. And they are ready to stand a little attack occasionally. As the American public utility official reminded his listeners in the address in which he commented on the newspapers, "a reasonable number of fleas are good for a dog to keep him from brooding on being a dog." This was David Harum's philosophy. A wide-awake press, ever ready to protect the public interest, is an excellent thing in any country. But when a newspaper starts out to show its influence and zeal by picking a quarrel or supporting a cheap politican in painting evils that do not exist, it is not playing fair with business.

EDITORIAL NOTES

E. R. PEACOCK will go on the directorate of the new and powerful Vickers-Armstrong merger in Britain. The company will have over $100,000,000 capital. This is another triumph for this former Toronto schoolteacher.

• • •

ELINOR GLYN has bought an historic American home. Guelph, her home town, has apparently lost her forever. Probably Guelph does not care.

• • •

MUSSOLINI will accept no more personal gifts. Well, that does not change our plans.

POST-Scripts

THE thirteen month year is coming. But its universal adoption throughout the world is a few generations away. Superstitious folks will not want a thirteen month year. Those whose birthdays fall on the 29th, 30th or 31st of the month will object to the 28-day month. Calendar makers may even see some lessening of their importance if the months are standardized. All of these are objections that will have to be met with patience, understanding and education. But they are no more important as permanent barriers to the adoption of calendar reform than the objection of the Mayor of Montreal to daylight saving as an interference with "God's time." Man created the hours and man shifted them. Man made the calendar and man will change it.

Probably this continent will be using a different calendar within a generation. Other parts of the world will gradually follow suit. At the moment, the year of thirteen months, each with 28 days and with one odd day in the normal year, is favored.

THERE'S a common term in finance, "unclean bonds," that often is applied to the soundest, most desirable securities. It doesn't refer to the moral or hygienic condition of the bonds, but to the fact that the owner has written names or other identification marks and memoranda on the bonds or has otherwise impaired their good delivery.

This situation often comes about by a father buying a bond for mother, son or daughter. The security goes into father's safe deposit box. To identify it father writes mother's or Johnnie's or Mary's name on the bond. Or sometimes the bondholder will write the interest paying dates, on the outside of the bond, so that in thumbing through his safe deposit box he won't have to unfold the bonds to see when to clip coupons.

To what extent innocent markings, such as the foregoing, might impair good delivery of a bond, the writer does not know; but it is a generally accepted principle that to write one's name on the back of a promisory note is to indorse that note and thus become liable for payment. A bond is essentially a promise to pay, a promisory note. On principle alone might it be well to keep one's name off it? If you must make identification marks on a security, make them with a pencil so they may be erased easily.

For example, on the back of many bonds there is a recital of conditions under which the bond may be registered as to principal only. This is a heritage of the days before safe deposit boxes, when people kept investment securities in insecure places and wished to record ownership for fear of theft, fire or other mischance. A bond so registered and later released from registry isn't "good delivery" on some stock exchanges and may be penalized ⅛ to ¼ of a point below what it otherwise would bring.

Most bonds are bearer bonds. To sell them and make good delivery all the holder has to do usually is to hand them over to the buyer. To maintain this facility of good delivery certain rules are enforced by stock exchanges. Therefore, to avoid unintentional violating of these rules, don't write on your securities in ink.

"Stop Me If You've Heard This One"

Angry Motorist—"Some of you pedestrians walk along as if you owned the streets."

Irate Pedestrian—"Yes, and some of you motorists drive around as if you owned the car."

Do you hold
Securities of the following companies?

Shawinigan Water & Power
Southern Canada Power
Manitoba Power
Canada Cement
St. Lawrence Paper Mills
International Paper
Ottawa-Montreal Power
Gatineau River Power
Port Alfred P. & P. Corp.
Page Hersey Tubes
Provincial Paper Mills
Quebec Southern Power

If so, you most assuredly should have a copy of the FINANCIAL NEWS INSERT accompanying our December Investment List.

It will keep you posted on alterations in Capital structure, etc., which offer you opportunities for profits.

Write for a free Copy to-day.

FLOOD, BARNES & CO., Limited
Investment Bankers
Insurance Exchange Building
Montreal

Comments

Remarkable Remarks by Interesting People

RT. HON. STANLEY BALDWIN: "Nothing has occurred with which I can compare the nuptials of Lloyd George and the Liberal party since Jupiter descended from heaven and wooed Daval in a shower of gold."

RUPERT HUGHES, novelist: "Washington took his political duties apparently as lightly as the average modern member of the Lower House of the State Legislature. He said nothing in the assembly and spent his evenings playing cards or attending the theatre."

THE DUKE OF NORTHUMBERLAND: "It is some reflection upon British civilization that we should be spending untold millions on our out-of-works in the 'dole' when a minute fraction of the money could have been spent in getting these men out to the Dominions and in remunerative work."

Other People's Views

Four Years Late

Marketing, Toronto: — Reference has frequently been made in Marketing to the need for authoritative statistics relating to distribution. In the year 1921, when the last census was being planned, the present editor of Marketing conferred with R. H. Coats, Dominion Statistician, regarding this question. By that time the United States statistical bureau was already planning on some kind of retail census which has since materialized, and is being found extremely useful as a means of establishing merchandizing policies. Nothing was done in Canada, however, until the year 1923, two years after the census was taken. At that time a questionnaire was mailed to a list of "going concerns" whose names and addresses had been gathered by the census-takers. Learning of this postal census the editor of Marketing again visited Ottawa and was informed that it would take some months to compile the returns. It has, in fact, taken years, for at last, in 1927, six years after the general census was taken, and four years after the questionnaires were mailed, some statistics are available in a report just issued at Ottawa.

As Others See Us

Calls It Political Crime

Bridgeburg Review:—The Financial Post reports that the Salvation Army would like to bring to Canada this year 1,200 immigrants but that the immigration department of the Dominion government will permit only 300 to come through this agency. The Salvation Army is an institution of experience and integrity, and guarantees that its immigrants will not become public charges and will stay in positions selected for them for one year or will be returned to the country of origin at the Army's expense, if they are not successful in Canada.

Refusal to permit the Army to bring in immigrants under these conditions is a political crime. The crying need of this country is population.

Suggests Immigration Commission

Saskatoon Star:—Among the newspapers engaged in a campaign of criticism against the immigration department is The Financial Post. Its last issue has a semi-editorial article headed: "Ottawa Attitude on Immigration Shown to be Obstructionist." This article starts off with an account of 840 British people who are on their way to Australia to settle, piloted by the Salvation Army. Canada could have had its choice of these immigrants, according the The Financial Post.

This may or may not be true, but one thing not to be overlooked is the fact that Canada regularly out-distances Australia in attracting British immigrants. In the year ended June last, 166,733 persons left Great Britain to reside permanently in other countries. Of these emigrants about one in three came to Canada and the Canadian share was easily the largest. Here are the figures:

Canada	55,425
Australia	43,346
United States	27,065

The remaining 40,000 went to New Zealand, South Africa and other parts of the Empire and foreign countries. These figures, let it be said, are not produced in Canada, but come from an official source in Great Britain.

It is alleged that red tape and irksome regulations prevent some British people from coming to Canada. This is not impossible. The system could perhaps be simplified or improved. But defects in the system cannot explain why so few British immigrants are coming to the west, as compared to the number that moved in during the 1905-1912 period. Otherwise, why are fewer still going to Australia, a Dominion which is said to been given. Certainly, in many of the ducing British settlers?

The whole question is one deserving careful thought by the Canadian people. It should be discussed without heat or prejudice A study of it by a committee of parliament this winter might be fruitful of wise conclusions.

Premier Gardiner on Immigration

Regina Leader:—When Premier Gardiner, of Saskatchewan, indicates, as he has done, that the German, Scandinavian, French and Russian races, which are now to be found in considerable degree in the Western provinces, have actually enriched the British race in the past, he puts his finger upon a phase of the immigration and assimilation problem to which probably little thought has been given. Certainly, in many of the various racial origins which are now to be found in Saskatchewan and other of the Western provinces there is much actual and potential worth-while citizenship, and perhaps the editor of The Financial Post is right in expressing the view that there is and has been undue alarm in connection with the inflow of peoples.

Stock Market Transactions

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We have prepared a

"Comparison of the Leading Pulp and Paper Companies operating in Canada"

Free copy upon request

R. A. DALY & Co.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

AS YOU measure the results from your advertising for this year and ponder upon what you wish to do and how best to do it next year, please give a thought to employing me and my staff.

I don't pretend to be a "sales wizard," or a merchandizing expert, but I am a competent craftsman in the business of advertising.

If you are so minded therefore, I should like to discuss your advertising with you as one business man with another—without any of the stage dressing and buncombe often interlarded with the selling of advertising.

If nothing comes of the discussion we can part with mutual respect; if business does result, it will be founded upon that basis, and not upon some social, recreational or other extraneous reason.

Please write or telephone if you wish to talk business, and give me a few days' notice of appointment, if possible, in case I may be out of town.

Appointments in Montreal can most conveniently be kept about the 5th and 6th, 20th and 21st of each month.

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries or sheets separate from other investment inquiries.

International Nickel

Please give me your opinion of International Nickel and F. N. Burt.

International Nickel is a stock which has an exceedingly promising future. The only objection to investment is that it is in the habit of fluctuating rather widely.

F. N. Burt Company is one of the best investments in the manufacturing group.

Montreal Power

I would like your advice on the following: I hold 160 shares in Montreal Light, Heat and Power, bought at an average of about 74, and 50 International Nickel at 59. Also 75 Massey-Harris, common, at 37. These are about 45 or 47 per cent. paid. I had thought of holding and paying out the Power and Nickel, but lately the Market has made me wonder if this is wise.

We do not think that you will be making a mistake to retain your shares in Montreal Light, Heat and Power and in International Nickel.

Your commitment in Massey-Harris common is at a price which perhaps anticipates the future to some extent, but we believe that purchasers at this price will be rewarded if they are patient. You appear to have ample margin and there does not seem anything in sight which would cause you to worry over your commitment.

There is nothing definite as to a dividend on the ommon stock of Massey-Harris Company or as to an increase in the dividend of Montreal Power.

Brompton Pulp and Paper

Last May I purchased 250 shares of Brompton Pulp and Paper stock at $32.50 a share. At the present dividend rate it yields 6¼ per cent. and should the rate be increased to $3, this would mean over 9 per cent. on my investment. This company is apparently doing well. What would you advise, sell, or hold for further appreciation?

We would advise you to hold your Brompton Pulp and Paper Company stock for further appreciation. Although you have already enjoyed a substantial profit on your investment we believe the stock of this company will prove an attractive long hold proposition at present market prices.

The company, during the year, disposed of its Groveton, N.H., mill, which had proved a losing proposition. At the same time, its new 110 ton newsprint mill at Bromptonville, Quebec, was brought into operation. The mills of the company have been operating at capacity throughout the year, and it may safely be assumed that earnings for 1927 will show a considerable increase over those of last year.

Taking all things into consideration, we believe Brompton has an attractive future.

Canada Malting

I have some Canada Malting at 32. Do you consider it a good hold or would you suggest switching to some other stock which might have a quicker market appreciation?

The outlook for Canada Malting is reasonable good.

British America Oil

Will you kindly give me youn opinion on the following stocks: British American Oil, Fanny Farmer and Carlings Brewery.

In our opinion your investments may be grouped in the proper order having in mind return and appreciation, thusly: British American Oil, Fanny Farmer, Carlings Brewery.

Carlings Brewery is a stock which is more favorably regarded now than it was a few months ago.

Brantford Cordage

I should like your opinion on the purchase of the preferred stock of Brantford Cordage Co., which I notice are selling now at a new low figure.

We do not think that the binder twine situation has as yet begun to improve, and in these circumstances the preferred stock of the Brantford Cordage Company might not be a satisfactory investment.

Dr. A. W. Chase

Would like information on the A. W. Chase Medicine Co. Do you consider their 8 per cent. preferred stock fairly safe and a good buy? Do their reports show a profit?

Have you any information on Algoma Steel 5 per cent. bonds selling around $34?

We are not very favorably impressed with the eight per cent. preferred stock of the Dr. A. W. Chase Medicine Co. The fact that the market price for this stock is so much below par indicates that a great many other people lack confidence in the future. The only present evidence against the stock, however, is the fact that the earnings dropped about 15 per cent. in the fiscal year ended last April 30, compared to earnings in the fiscal year ended April 30, 1926.

Algoma Steel five per cent. bonds are not selling at $34—but are selling at 34 per cent. of par, which is £100 sterling. The company's prospects are somewhat better now than a year ago, but on the whole, the securities must be considered highly speculative.

Dominion of Canada
Victory 5½%
Fourth War Loan due 1927
will cease to bear interest
on December 1st, 1927

On this date the treasury will redeem the outstanding $63,437,270 of this loan at par, and holders should make arrangements *now* for the reinvestment of the funds that this redemption will release.

Write to-day for our Special Reinvestment List

FLOOD, BARNES & CO.
LIMITED
Investment Bankers
INSURANCE EXCHANGE BUILDING
MONTREAL

McKinnon Industries

I bought McKinnon Industries at 28. What is your view of it?

We are informed that the company will earn about $2 per share net. The experience over a term of years should be reasonably satisfactory in view of the development of the automobile industry, but there is a lack of attention to the stock which militates against the more favorable immediate outlook.

Detroit Bridge

We would be obliged if you would favor us with your opinion, direct, upon the Detroit International Bridge Co., Limited.

The bond and debentures of the Detroit International Bridge Co., are a satisfactory investment. The experience of the Peace Bridge between Fort Erie & Buffalo since its opening a few months ago has been such as to indicate that the Detroit venture will be successful.

The strength of the bonds is evidenced by the fact that they are now selling above par.

Montreal Coke

I have a $1,000 bond maturing Dec. 1. I am offered as follows: Massey-Harris Co., Ltd., 5 per cent. bonds, due Oct. 15, 1947 at 95.75 and interest, yielding 5.35 per cent.

Montreal Coke and Mfg. Co., 5½ per cent bonds, due June 1, 1947 at 101 and interest, yielding 5.42 per cent.

Will you kindly give me your opinion?

Both the Massey Harris 5 per cent. and Montreal Coke & Mfg. 5½ per cent. bonds are suitable for conservative investment.

There is little to choose between the two but we would be inclined to favor the Montreal Coke & Mfg. Co. bonds in view of the strong affiliation of that concern with the Montreal Light, Heat & Power Co. Its output is assured a strong market for some years to come.

Eastern Steel

I would be glad if you would advise me as to what you think of the following investments which I have purchased:

36 shares Eastern Steel Products with a bonus of 1 share of common to every 2 shares of preferred; $2,000 Interlake Transportation Company.

The preferred stock of the Eastern Steel Products is a business man's investment. The financial position of the company is sound and with good management they should do well.

The bonds of the Interlake Navigation Company, which you hold, are well secured by a first mortgage on certain properties owned by the company. The company has been in operation on the great lakes for some time and its record of earnings and management has been good. This bond is worth holding.

Manufacturers' Finance Corp.

In January, 1924, I bought 420 shares preferred and 210 common stock of Manufacturers' Finance Corporation, costing me $5,250. What is your opinion of this company and their prospects? Would you take your loss or hang on?

Your Investment in Manufacturers' Finance Corporation should be reasonably safe, although the outlook for the company is only moderately promising. It is difficult to judge the exact progress that has been made for the reason that absorptions from year to year make structural changes in the balance sheet.

You might recoup your losses by selling your stock in this company and buying the common stock of one or more of the sound industrial companies, the stock of which is listed on one of the exchanges.

These finance companies rarely show any very substantial profits, except in the case of those companies which are direct subsidiaries, or have direct affiliations with some of the larger automobile manufacturers.

Roby's Products, Ltd.

I would like your advice on Roby's Products, Ltd., of Montreal. Is it a sound paying investment, and one on which I could depend for good dividends? Also is the stock likely to increase in price in near future?

You ask us if the stock of Roby's Products, Limited, Montreal, is a sound paying investment, one in which you could depend on good dividends. You also ask if this is a company in which the stock is likely to increase in price in the near future.

The company is a promotion. Whatever may be the merit of the products this company is manufacturing, it is exceedingly improbable that the stock will be a paying investment from the beginning, or that the shareholders can depend on good dividends for some years to come. It is even more unlikely that the stock will increase in price in the near future. There are plenty of investments in established companies which are more likely to benefit shareholders.

B.C. Fishing

On the advice of a friend I bought 100 shares of British Columbia Fishing, common, at 16 as a speculation. Would you advise a shift at a loss?

We have not a high opinion of the common shares of British Columbia Fishing and Packing Company. The company's difficulties from an operating viewpoint are the extreme fluctuations in the catch of salmon. The stock is not highly regarded because of the violent fluctuations which were evident a year ago. Many persons suffered from this and the market generally has not forgotten the circumstances.

The capitalization of the company is now $2,490,000 of $100 seven per cent. cumulative preferred and 99,600 shares, of no par value. In only three of the last seven years has the company shown net earnings sufficent to pay dividends on the new preferred stock.

Over a term of years your purchases of Steamships, Imperial Oil and Canadian Bronze should be highly satisfactory.

North. Mexico Power

Can you advise me regarding purchase of Northern Mexico Power Co. common, around present market price of 75?

The common stock of Northern Mexico Power Co. is somewhat attractive. The company's earnings have been growing and it is probable that the experience of the investor will be satisfactory. The company gets good prices for its service.

Power Corp. of Canada

Will you kindly give me a list of seven or eight Canadian Industrial common stocks which you consider will show a reasonable appreciation during the next twelve months?

Several industrial common stocks which probably are in a favorable position at this time are:

Power Corporation of Canada.
British American Oil.
Alberta Pacific Grain.
City Dairy.
F. N. Burt.
Canadian Industrial Alcohol.
Tuckett Tobacco Co.

Loews Incorporated

I am a holder of a few shares of Loews Incorporated, now selling around $57, at which price it shows me a fair profit. Kindly let me know what, in your opinion, are the chances of either immediate or future appreciation in this stock.

We are not in a position to have exact information concerning companies which operate principally in the United States.

On the whole, however, the outlook for Loews Incorporated we are informed is reasonably satisfactory and some further appreciation may be looked for.

Loews Incorporated apnarently has done much better than the affiliated companies which own the various theatres which Loews Incorporated lease and operate.

Clarendon Properties

How do you view as an investment: "Clarendon Properties"? Is the "Apartment building" overdone in Toronto?

As regards the Clarendon Properties 7 per cent. mortgage bond issue, this is a better class proposition than is usually undertaken in the field of real estate mortgages. The Clarendon apartments in the same district have been successful to date. It is likely that the Claridge will meet with similar success.

Investment in any real estate proposition in Toronto should be carried out with considerable care. Owing to the number of home owners in this city, apartment houses to date have not been as popular as they have been in other large cities. The trend is changing. There have been a number of apartment houses erected in Toronto in the past year or so which have only been partially rented.

Diversification Needed

Would you kindly give me your opinion of the following bonds which I now have and would like to hold for the next year or two if satisfactory? I am single and have a steady job.

3,000 Victory bonds, 5 and 5½ per cent.
1,000 Canada S. S. Lines, 6 per cent.
1,000 Rep. of Chile, 6½ per cent.
1,000 French Line bonds, 6½ per cent.
1,000 Harris Abattoir first mortgage, 6 per cent.
1,000 City of Lethbridge, 5½ per cent.
600 Jamaica Pub. Service, 7 per cent.
600 Int. Power bonds, 7 per cent.

Your list of bond holdings is a strong one and much better than the average. We presume these bonds represent your entire investment interests and would make the recommendation that you realize on some of these and invest in first rate common stocks. Over a period of years we think this would be more advantageous to you.

Inter. Petroleum

I have purchased a number of shares in International Petroleum. I believe stock is due for rise on market and that shares are good for a long hold. I would appreciate your views on this point.

International Petroleum, a subsidiary of Imperial Oil, Limited, is one of the principal low cost crude oil producers in the world.

The company this year has been able to operate at a profit, although there has been a great world surplus of crude production. It is probable that the earnings of this company have been fairly substantial in the last year, although the immediate outlook is dependent somewhat on the crude oil situation in the United States. Looking ahead several years, it is safe to predict that International Petroleum will do well. There have been frequent predictions of stock market rises in this stock in the last several months, but none so far has materialized. There is probably no one in a position to predict the actual movement of the stock from day to day.

Massey-Harris

I hold the following purchases:

Monarch Knitting Co. pref. at 50.
British Empire Steel 1st pref. at 29.
Arnolds common at 20.
Massey-Harris common at 34.
Kelley Silver Mines at 145.
Canadian Lorraine Silver Mines at 30.

How do you regard prospect of above making any advance in market in near future?

Massey-Harris common is probably the best of your stocks at the present outlook. The future of this company is bright, although the price you paid for the stock is probably anticipating the future to some extent.

Arnold Bros. common probably is a speculation of some merit, in view of the fact that the company's stores are well located and are doing a good volume of business.

Monarch Knitting preferred and the first preferred of British Empire Steel Corporation are speculative possibilities looking ahead several years.

The silver mines are in the doldrums at the present time, owing to the situation in the silver market. If the price of silver increases, these mines should do fairly well.

When Women Invest

Owner of Dominion Power Common for Many Years Might Benefit by Purchase of Holding Company Stock—Other Problems

A Weekly Feature.

Montreal Mortgage & Discount Bonds

We would appreciate your opinion on the 7 per cent. collateral trust, 20-year bonds of the Montreal Mortgage and Discount Company . Do you consider the bonds a good investment for a woman of small means?

We do not consider the Montreal Mortgage and Discount Company 7 per cent., collateral trust, twenty year bonds a suitable investment for a woman with small means. There is no market for these bonds and the company which is of recent growth is competing with companies long established in this field. The primary consideration for such an investor we would think would be safety of principal and the marketability of the security. There are a great many bonds of companies with a long established record of earnings and affording an attractive yield combined with safety of principal which we consider would prove much more attractive than the bonds you mention. Any reliable brokerage house or investment banker would be glad to let you have a list of these.

We would suggest such bonds as Montreal Light, Heat and Power 5's 1951, Spanish River Pulp and Paper 8's 1941, Fraser Companies 6's 1950, Canada Steamship 5's 1941. These are all considered to be absolutely sound and afford a yield of from five to six and a half per cent.

French Francs

About three years ago I bought $500 worth of French francs and paid 5-5½ cents for same. As you are aware they went down to 3.93, which is their actual price. They have borne no interest for about a year. Do you think it would be advisable to sell them and buy a few shares of common stocks?

What do you think of National Distilleries, also International Paper?

I propose buying Amulet. What do you think of it?

French francs have been stabilized at four cents and the prospects are that you will have to wait some considerable time before any advance is made on this rate. If you desire an immediate yield on your money, it might be to your advantage to convert your francs into French bonds. These would give you a return of from 6 to 6½ per cent. on your investment. Investment in some reliable French stocks might also be to your advantage, as they are at present selling at one quarter of their book value.

If you wish to keep in closer touch with your investment you could take your loss, dispose of your francs, and invest the proceeds in some Canadian stocks, a great many of which offer greater chances of appreciation than your present holding.

National Distilleries was but recently organized. Its plants are strategically located. Under an energetic business administration it should establish satisfactory earnings. We, therefore, think that the common shares are a business man's speculation.

We believe the stock of International Paper Company will show considerable appreciation over a term of years. Owing to the extensive program of expansion, this company has embarked upon, it is doubtful if much can be hoped for in the way of dividends for some time. The potential earnings of the company, however, are enormous.

Amulet Gold Mines is well thought of. Several large ore bodies are reported to have been located on the company's property. It is believed that there is here a big mine in the making. A gold mine in the development stage is always a gamble, but in the case of Amulet the gamble may be said to be fairly attractive.

Dominion Power

Many years ago our family acquired 75 shares of Dominion Power & Transmission common stock. We paid, I believe, a much higher price than that at which it is now selling. We have watched the stock go far below its present price and are somewhat hopeful that its rise will continue.

I am getting on in years. I do not wish to wait a long time to get out something of what we put into it, especially as no dividend is being paid. Do you think that we should sell at this time and buy something else of greater promise?

Dominion Power and Transmission Company is a producer and distributor of electric energy in Hamilton and the Niagara districts. It owns and operates the Hamilton Street Railway and the subsidiary bus companies.

In the last year or two the outlook for this company has improved materially because: firstly, new franchises and contracts with the City of Hamilton and other municipalities, which has been effective in building goodwill and has enabled the company to operate at a profit. The street railway company should begin to do much better soon, because the jitneys are to be put off the streets.

Secondly, this company should do better because the district it serves, particularly the city of Hamilton, is much more prosperous than it has been for a number of years.

Power Corp. Attracts

In the circumstances it is reasonable to expect that there will be continued appreciation in the value of the common stock of Dominion Power and Transmission Co.

However, it is possible that there would be greater profit for you if you were to sell your 75 shares of Dominion Power & Transmission and buy with the proceeds the common shares of Power Corporation of Canada.

Power Corporation of Canada controls Dominion Power & Transmission, so that ownership of shares of Power Corporation brings the benefits of progress made by Dominion Power. Power Corporation also controls and has substantial interests in a number of other utility companies in Canada, including the growing and prosperous Winnipeg Electric Company. This diversity of investment of Power Corporation in a number of growing communities of Canada makes the common stock of the company a most attractive, long-hold investment at this time.

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Norwegian Hydro-Electric Nitrogen Corporation

Refunding and Improvement
5½% Gold Bonds
Due November 1, 1957

Principal and semi-annual interest (May 1 and November 1) payable in United States gold coin in New York without deduction for any present or future taxes, assessments, duties, or other charges levied by or within the Kingdom of Norway. Coupon bonds in denominations of $500 and $1000, registerable as to principal only.

Sinking Fund sufficient to retire entire issue by maturity.

The Company, sometimes referred to as Norsk Hydro, together with its principal, wholly-owned subsidiary, owns one of the outstanding water power systems in the world, located in southern Norway, 130 miles west of Oslo. The Company's hydro-electric power stations, with a continuous production capacity of 375,000 h.p., generate electric energy at an exceptionally low cost. We recommend these bonds for sound investment and upon request will forward a circular giving further particulars of this issue.

Price 95 and interest, to yield over 5.85%
(Subject to prior sale and change in price)

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Maturities 1947 and 1967

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News of Investment Markets

DOMINION'S LOAN WILL NOT AFFECT STRONG MARKET

Bond Prices Reflect Strong Money Situation in Canada

Redemption of the Government's loan of $63,437,250 on December 1st next will be taken care of by the proceeds of the sale of $45,000,000 three-year 4 per cent. treasury notes to the Canadian banks and the balance out of surplus revenue.

This eliminates for the time being any extensive financing on the part of the Dominion Government. The low rate of interest on these notes confirms the exceptionally strong bond market of the past month or two. Since the beginning of the month, several provinces and municipalities have brought out loans, the money being secured at a rate lower than that for any other period since 1913. Manitoba's financing was done on a 4.45 basis; Alberta 4.49; and Saskatchewan 4.51. New Brunswick also is in the market this week for a loan of over $1,400,000 and an equally good price should be received.

The sale of the short term notes leaves the market in a stronger position than ever. It was thought that a new loan of about $50,000,000 might be put on the market. This would absorb much of the surplus funds awaiting reinvestment and would tend to create a greater diversity of securities. Lists of the investment bankers at present are particularly bare and it is not expected that municipal or corporate financing during the balance of the year will relieve the situation.

Market Is Strong

Many bond issues have advanced one or more points in the past week and the number and quality of bonds available for trading is particularly limited. Aside from the Dominion and provincial obligations, better grade municipals also have been selling below 5 per cent., and even those which hitherto had not been looked upon favorably are selling around 5 per cent.

The same situation exists in the demand for public utility and in industrial bonds. While the Massey-Harris bond, carrying a 5 per cent. coupon, has not been followed by other issues, yet there are many industrials selling to yield below 5½ per cent. Moreover, demand is so great that many houses find difficulty in filling their client's needs.

Reinvestment Funds

Few people have any comprehensive idea of the enormous amount of money at present in the hands of the public for investment purposes. In addition to the ordinary productive income from national industries, which in the past year or so has been above average, income by Canadians from investments both in Canada and elsewhere has been variously computed at around $75,000,000 a month.

This income varies from month to month, of course, reaching a peak during the usually recognized dividend and interest paying months. December, is one of these, and the amount of capital available from this source seeking reinvestment will undoubtedly be able to take care of more than ordinary requirements for the balance of the year.

OFFER PREFERRED ONTARIO TOBACCO

Company Will Grow Tobacco on Large Scale in Ontario

An offering of $500,000, 7 per cent. cumulative preference shares of the Ontario Tobacco Plantations, Ltd., is being made this week. J. F. MacKay & Co., and Barrett & Wood, of Toronto and Montreal, respectively.

This company has been formed for the purpose of growing flue-cured tobacco on some 1,800 acres of tobacco lands in the counties of Norfolk and Elgin, Ont. It is estimated that one-third of the company's lands will be in tobacco production by 1928, and that an average yield of not less than 800 lbs. of flue-cured tobacco per acre can be counted on. It is expected that a further 1,100 acres will be devoted to other crops, such as clover, wheat, barley, oats and other grains. The company's policy will be to observe a rotation of varied crops as the best means of obtaining the largest financial returns and at the same time conserving the soil.

Details of the issue are:

$500,000
Ontario Tobacco Plantations, Ltd.
7% Cumulative Preference Shares

Company—Holds land in Ontario and will grow thereon flue-cured tobacco for domestic and export purposes. Other crops will be grown.

Capital—

	Authorized	To be Issued
7% cumulative pref. stock	$1,000,000	$500,000
Common stock (no par value)	200,000 shs.	100,000 shs.

Assets — Subject only to trade and other debts and certain existing mortgages amounting to $158,346, preference stock will have prior claim on all assets. It is estimated that in three years time, assets of the company will total $1,360,000.

Estimated Earnings—Are placed at $128,000 net, or three and one-half times preference stock dividend requirements.

Purpose of Issue — Proceeds will provide capital, contribute to payment of property, equip farms, and purchase necessary stock.

Management—Will be in hands of experienced men.

Market — Domestic and in Great Britain, where a tariff gives heavy preference to empire-grown tobacco.

Listing—It is proposed to list both common and preferred on Toronto and Montreal Stock Exchanges.

Offer—J. F. MacKay & Co., Toronto and Barrett and Wood, Montreal at $100 a share with a bonus of four shares of common stock with each share of preferred stock.

RAILWAY EARNINGS

Week end. Nov. 14	1927	1926	Change
C. P. R. …	$5,498,000	$5,052,000	+ $446,000

SERVICE STATION STOCK "A" SOLD

Issue Attractive to Public and Sells on Exchange at Premium

A new issue of 35,000 class A stock, no par value, non voting, of the Service Station Equipment Co., offered by A. E. Ames & Co. this week, was quickly oversubscribed.

Service Station Equipment was formerly the Clear Vision Pump Co., the name having been changed on account of its much wider field. The business was organized in 1923 to manufacture gasoline pumps, air compressors, air stations and other equipment for service station and oil company trade. The company was early in the field and has been so successful in developing and improving its product that it now supplies a substantial percentage of the pumps used in Canada. Moreover, the company controls patents for Canada, Great Britain, Germany, France and Belgium on air pressure equipment.

Particulars of the issue follow:

35,000 Shares
Service Station Equiment Co.
Class A Stock
No Par Value Non Voting

Business—Manufacturers of gasoline pumps, air compressors, air stations and other equipment. Controls patent rights in several foreign countries and will shortly produce a new type of lift for elevating cars.

Capital—

	Outstanding Authorized & Outstanding
Class "A" stock, no par value, non-voting (including this offering)	45,000 shares
Class "B" stock, no par value, voting	25,000 shares

Assets—Total net assets, after completion of present financing and exclusive of goodwill, after depreciation, total $813,971, which is equal to $18.08 for each share of Class A outstanding.

Earnings—Between the calendar years 1924 and 1926, have advanced from $33,924 to $106,038. Estimate for 1927, based on results in first ten months, is $169,587.

Dividend Policy—It is the intention to pay quarterly dividends of 40 cents a share, the first dividend to cover periods from October 1, 1927, to December 31, 1927, payable on January 1, 1928.

Management—There will be no change.

Listing—This stock has been called for trading on Toronto Stock Exchange.

Offer—A. E. Ames & Co., at $26.50 a share.

PHOTO ENGRAVERS STOCK OVERSOLD

An issue of 30,000 shares of no par value common stock of Photo-Engravers and Electrotypers, Ltd., publicly offered by McLeod, Young, Weir & Co. last week at $29 a share was oversubscribed more than three times. The stock was called for trading on the Toronto Stock Exchange this week and sold at a premium.

Canadian Western Lumber

The aggregate sales for the nine months ending September 30, at 124,174,339 ft., realized $2,715,898, and compares with 125,598,972 ft., realizing $2,993,084 for the corresponding period in 1926.

POWER CORP. ISSUE DEBENTURE SERIES

Public is Offered 5 per Cent. Stock Convertible in 30 Years

From Our Own Correspondent

MONTREAL—A public offering of $5,000,000 Power Corporation of Canada 5 per cent. thirty-year convertible debentures Series "A" is being made by Nesbitt, Thomson and Company.

Particulars of the issue follow:

$5,000,000
Power Corporation of Canada, Limited
5% Thirty-year Convertible Debentures
Series "A"

Dated: Dec. 1, 1927. **Due:** Dec. 1, 1957

Capitalization (on completion of present financing)—

	Authorized	Issued
5% Thirty-year Convertible Debentures, Series A (this issue)	………	$5,000,000
6% Cumulative First First Preferred $100 par value	$5,000,000	5,000,000
6% Non-cumulative Participating Preferred $50 par value	5,000,000	2,500,000
Common stock (n.p.v.)	250,000 shs.	200,000 shs.

The Company—Owns the controlling interest in the following companies: Canada Northern Power Corporation, Limited, which controls Northern Canada Power, Limited; The Quinze Power Company, Limited; Northern Ontario Light & Power Company, Limited; Porcupine Power & Telephone Company, Limited; Great Northern Power Corporation, Limited; Ottawa & Hull Power Company, Limited, which controls Ottawa River Power Company, Limited; East Kootenay Power Company, Limited. Also a substantial interest in the following companies: Southern Canada Power Company, Limited; Winnipeg Electric Company, which Dominion Power & Transmission Company, Limited; Foreign Power Securities Corporation, Limited.

Assets—The net assets of the company, including the proceeds from this issue, consisting of high-grade bonds and shares, and common shares of subsidiary companies, are in excess of $20,000,000.

Earnings: Net earnings of Power Corporation of Canada, Limited, for the fiscal year ended June 30, 1927, aggregated $661,452, and for the twelve months ended September 30, 1927, $933,349.68, or at the rate of 2.64 and 3.73 times respectively the interest requirements of these debentures.

Covenants of the Company—The company covenants that it will not issue any securities to rank ahead of these debentures and that of its unused common stock it will retain 50,000 shares of no par value to provide for the conversion of these debentures.

Properties—Properties which the corporation controls or is interested are situated in the Provinces of Quebec, Ontario, Manitoba, Alberta and British Columbia. They have an installed capacity of 464,600 h.p. with an ultimate capacity of 747,600 h.p. and generated over 1,150,000,000 kilowatt hours during 1926. The population served is in excess of 1,000,000 and the gross earnings for the year ended June 30, 1927, amounted to more than $14,680,000.

Offered By—Nesbitt, Thomson & Company, Limited, at 99½ and accrued interest to yield about 5.10 per cent.

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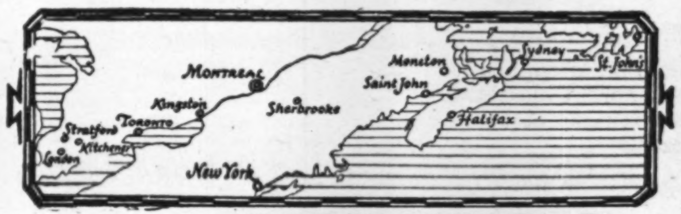

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Without placing me under any obligation whatever, send me copy of your booklet, "Through the Doorway of Honesty."

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GOODYEAR RUBBER SHOWS $11 SHARE ON COMMON STOCK

Working Capital Shows Increase of Over Million Dollars

Goodyear Tire & Rubber Co. earned $11.50 per share on the 133,300 shares of common stock outstanding, in the year ended September 30th. This compares with $8.50 on the same number of shares a year ago. A year ago, however, there were only 53,320 outstanding, so that earnings showed as $21.29.

The detail of profits and loss accounts for the last three years follows:

	1927	1926	1925
Profits for yr.	$2,870,610	$2,246,640	$1,462,852
Less deprec. .	699,220	589,275	413,412
Net profits ..	$2,171,390	$1,657,365	$1,049,440
Pfd. divds. ..	617,987	679,488	679,488
Com. divds. ..	166,623	......	......
Year's surplus	$1,386,780	$ 977,877	$ 369,952
Prev. surplus	3,105,025	2,127,148	1,757,196
Total surplus	$4,491,805	$3,105,025	$2,127,148

Improvement in Working Capital

Marked improvement in the liquid position of the company is revealed by comparison of the balance sheet with former years. In the following table the working position of the company for the past three years is given for comparative purposes:

	1927	1926	1925
Current assets	$9,013,989	$7,385,784	$6,770,848
Current liab. .	1,698,097	1,325,537	1,565,773
Work. capital	$7,315,892	$6,060,247	$5,205,075

An increase of $383,622 is indicated in fixed assets, while investments in and accrued earnings of subsidiary companies are shown at $366,332, an increase of $299,549. Total assets stand at $17,669,451, representing an increase of $3,197,260 for the year.

Reserves Increase $400,000

It is noteworthy that the no par value common stock is shown in the balance sheet at $1 per share. A new item on the liabilities side is capital surplus, amounting to $479,880. Reserves appear at $2,916,569, an increase of $460,677.

Mr. Carlisle, in his remarks to shareholders, notes that the two rubber plants worked to 24-hour capacity throughout the year.

Pension Scheme Planned for Canada Steamships

From Our Own Correspondent

MONTREAL.—While an all-round betterment in the physical and financial position of the Canada Steamship Lines has been effected by the present capable management, from the shareholders angle is it also equally satisfactory to note that what might be termed the spiritual aspect of the company's progress has not been neglected. The esprit de corps and morale of the employees of the company has never been higher than at the present time. At the moment, the management is engaged in working out a pension plan applicable to officials and employees who have served the company over a term of years.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	98½	99¼
Abitibi P. & P. 6s., 1940	104¾	105½
Algoma Steel, 5s., 1962	38	40
Alberta Pac. Grain, 6s., 1946	99	100
Bell Telephone, 5s., 1955	103¼	103
Belgo Can. Paper, 6s., 1943	102	102⅞
Brandram-Henderson, 6s., 1939	86	....
B. C. Pulp & Paper, ..s, 1950	87	90
Brompton P. & P. 6s., 1946	100¾	101½
Burns, P. & Co., 6½s, 1943	103½	....
Calgary Brewery 5s, 1942	93	94⅝
Calgary Power 5s., 1940	93¼	94½
Canada Biscuit, 6½s, 1946	101½	102½
Canada Lt. & Pr. 5s., 1949	93¾	95
Can. Nor. Power 6s, 1941	101⅝	102½
Can. Paperboard 7s, 1937	98	101
Can. Steamships, 5s., 1943	100	100¾
Can. Steamships, 6s., 1941	101½	102
Can. Steel Foundries, 6s., 1936	106	....
Davies, Wm., 6s, 1942	94	95¼
Dominion Iron, 5s., 1939	35	37
Dominion Pr. and Tr. 5s, 1932	98⅛	98⅞
Drummond Invest. 6½s, 1938	98	100
Duke Price, 6s., 1966	105⅝	106¼
East Kootenay Pr. 7s., 1942	103¾	105
Elec. Development 5s, 1933	100⅝	101⅛
Famous Players 6½s, 1943	98	102
Fraser Co., 6s., 1950	100¼	101¼
Gatineau Power, 5s., 1956	99⅜	99¾
Gatineau Power, 6s., 1941	103	104
Howard Smith P. & P. 6s, 1941	104¼	105
King Edward Hotel, 7s., 1944	94	96
Lake Superior P. & P. 6s, 1941	105¾	106½
Laurentian Pr. 6s, 1936	109	....
Laurentide Pr. 5½s, 1946	101¼	102
Manitoba Pr. 5½s, 1951	102	103
Mont. L. H. & P. 5s, 1951	101⅝	102¼
Mont. Pub. Service 5s, 1942	99½	100¼
N. B. Power 5s, 1937	92⅝	....
Nor. Ont. L. & P. 6s, 1946	102	103
Nor. West Utilities 7s, 1938	100	102
Nova Scotia Steel 5s, 1959	62	66
Nova Scotia 6% Debs.	33	38
Nova Scotia Tram. 5s, 1946	94⅝	96
Nova Scotia Tram. 7s, 1952	100½	102
Ont. Pulp & Paper 6s, 1931	109	110
Ottawa Hull Pr. 6s, 1948	103¾	105
Ottawa L. H. & P. 6s, 1953	105	106
Ottawa Mont. Pr. 6½s, 1949	104¾	105¼
Ottawa Trac. 5½s, 1955	101¾	102¾
Ottawa River Pr. 6½s, 1953	103	104
Port Alfred P. & P. 5½s, 1957	95¾	97
Price Bros. 6s, 1943	104½	105¼
Prov. Lt. Pr. 5s, 1946	101¾	103
Rio Tramways 5s, 1935	97½	98
Sao Paulo Tram. 5s, 1929	98½	99
St. Lawrence Paper 6s, 1946	99⅜	100½
St. Maurice Valley 5½s, 1957	95¾	97
St. Maurice Pr. 6½s, 1953	107¼	108
Shawinigan W. & P., 4½s, 1967	95¾	96¼
Simpson's, Ltd., 6½s, 1945	103½	104½
Southern Can. Pr. 5s, 1955	100½	101½
Spanish River P. & P. 8s, 1941	107	108½
West Kootenay Pr. 6s, 1943	104	104¾

Banks Raise Call Loan Rate; It May be Window Dressing

Some of the chartered banks, whose fiscal years end shortly, this week instituted what has been called their annual window-dressing operations. Call loan rates in these banks were increased to 6 per cent. on all classes of security. This will have a tendency to reduce call loans and improve the cash position of the banks.

So far as the general public knows, the lowest available rate is 6 per cent. at any time, but it is known that the rate is a matter of negotiation between borrowers and lenders.

One broker, habitually borrowing large sums on all classes of stocks and bonds, said that rates until the window-dressing began had been fairly satisfactory, from the point of view of the lender, in comparison with call loan rates in New York, which have been under 4 per cent.

Moirs Increases Bond Issue for Extension of Plant

From Our Own Correspondent

MONTREAL. — Moirs, Limited, has completed an extension to its plant at a cost of $550,000. To finance a portion of the expenditure, the company has increased its issued bonded indebtedness from $1,000,000 to $1,350,000. The additional manufacturing space and the additional modern equipment, will, it is anticipated, increase the company's profits substantially next year.

The present $350,000 issue of bonds is being offered publicly by the Royal Securities Corporation. The particulars of the issue follow:

$350,000 Moirs, Limited
6½% First Mortgage Sinking Fund Bonds
Dated January 1, 1926; maturing January 1, 1946.

Capitalization:

	Authorized	Issued
6½% bonds	$2,000,000	$1,350,000
Common stock	2,000,000	1,500,000

The Company: One of the largest and oldest producers of high-grade chocolates and confectionery. It does also an extensive bakery business.

Purpose of Issue: To meet in part the cost of a recent addition to the plant.

Security: The bonds are a mortgage on all the assets of the company. The remainder of the authorized bonds can only be issued to the extent of 75 per cent of the cost of additions to the property.

Value of Assets: Equivalent to $2,400 for each $1,000 bond.

Earnings: Last year available for bond interest, income tax, depreciation, equal to 2.96 times the annual interest requirements of the total issue.

Sinking Fund: Two per cent of total bonds issued plus interest on bonds redeemed; commences January 1, 1929.

Offered: November, 1927, by the Royal Securities Corporation at 103 to yield over 6¼ per cent.

Aldred on Old Colony Board

MONTREAL.—The election of J. E. Aldred to the board of the Old Colony Trust Company, of Boston, marks the twenty-fifth directorate with which he is identified. Mr. Aldred is well known in Canada as president of the Shawinigan Water and Power Company, and of Aldred and Company, investment bankers.

Tenders and By-laws

Dec. 5, New Toronto—$67,550, 5% 10 and 15-yr. debentures. W. B. Curtis, treas. (See announcement elsewhere in this issue.)

Dec. 6, City of Arvida, P.Q.—$70,000, 5 per cent., serial bonds. Paul E. Grouin, sec.-treas.

Dec. 6, School Trustees of the City of Arvida, P.Q.—$40,000, 5 per cent., serial bonds. H. B. Campbell, sec.-treas.

Nov. 26, Timmins—$224,000, 5½ er cent., 15 and 30-instal. bonds. H. E. Montgomery, clerk.

Nov. 28, Village of Saint Jovite, P.Q.—$40,000, 5 per cent. serial bonds. C. Proulx, sec.-treas.

Nov. 30, Town of Dorval, P.Q.—$1,340 and $6,500 5 per cent. serial debentures. H. Meloche, sec.-treas.

Dec. 3, Municipality of St. Joseph de la Riviere des Prairies, P.Q. — $15,000, 5 per cent., serial debentures. J. L. Pare, sec.-treas.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates: Aug. 26th, 1927—District of West Vancouver—"West Vancouver Parks Purchase By-law, No. 354, 1927," $30,500, 25 years, 5 per cent. Aug. 29th, 1927—Nelson—"Nelson Waterworks Improvement By-law, 1927," By-law No. 450, $30,000, 20 years, 5 per cent. Sept. 3rd, 1927—Point Grey—By-laws Nos. 437-491; 493-504; 506-511, inclusive, local improvements; 10 and 15 years, 6 per cent. Oct. 5th, 1927—Victoria—"Terminal Warehouse Agreement By-law, 1927," $500,000; (guarantee by-law). Oct. 4th, 1927—Point Grey—Local Improvement Debenture By-law, No. 492, 1927," as amended by By-law No. 52, 1927, $562, 10 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-law," $9,150, 15 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-law," $2,302, 15 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-law," No. 422, 1927, $3,249, 15 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-law," No. 423, 1927, $336, 15 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-law," No. 424, 1927, $3,099, 15 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-Law," No. 425, 1927, $2,591, 15 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-law," No. 426, 1927, $1,165, 15 years, 6 per cent. Oct. 7th, 1927—"Local Improvement Debenture By-law," No. 427, 1927, $11,699, 6 per cent. Oct. 8th, 1927—Nanaimo—"Kennedy Street Sidewalk Debenture By-law No. 434, 1927," $2,287, 15 years, 5½ per cent. Oct. 11th, 1927—North Vancouver—"Fire-fighting Equipment Purchase Loan By-law, 1927," $16,000, 10 yrs. 5%. Oct. 20, 1927—Point Grey—"Local Improvement Loan Consolidation By-law No. 358, 1927," $38,518, 30 years, 5 per cent. Oct. 20th, 1927—"Loan Consolidation By-Law, No. 359, 1927," $57,365, 15 years, 5 per cent. Oct. 20th, 1927—"Local Improvement Loan Consolidation By-law, No. 360, 1927," $70,558, 10 years, 5 per cent. Oct. 28th, 1927—"Local Improvement Loan Consolidation By-law, No. 617, 1927," $76,498, 10 years, 5 per cent. Oct. 28th, 1927—"Local Improvement Loan Consolidation By-law, No. 618, 1927," $30,069, 15 years, 5 per cent. Oct. 28th, 1927—District of South Vancouver — "Consolidation By-law," $28,646, 10 years, 5½ per cent. Oct. 28th, 1927 — "Consolidation By-law," $9,583, 20 years, 5½ per cent. Oct. 28th, 1927—"Consolidation By-law," $17,754, 30 years, 5½ per cent. Nov. 12th, 1927—Kelowna—"School Building and Equipment By-law, No. 468," $13,000, 15 years, 5 per cent.

This Week's Bond Sales

Alberta Sells Bonds

Province of Alberta debentures on a 4 per cent. 30-year basis have been sold to the amount of $1,850,000 to the Canadian Bank of Commerce, which is paying a price of 91.923, yielding 4.49.

Merritton Issue

Royal Securities Corporation were the successful tenderers for an issue of $60,000 15-year, 5½ per cent. bonds of the Town of Merritton, on a bid of 103.57, the cost basis being approximately 4.95. Tenders follow:

Royal Securities Corp.	103.57
Fry, Mills, Spence & Co.	103.27
Matthews & Co.	102.99
C. H. Burgess & Co.	102.74
Mackay & Mackay	102.35
Dyment ,Anderson & Co.	102.81
Bell, Gouinlock & Co.	102.57
McLeod, Young, Weir & Co.	102.27
A. E. Ames & Co.	102.13

Saskatchewan Issue

An issue of $1,330,000, Province of Saskatchewan, 4 per cent., 30-year debentures has been awarded to Wood, Gundy & Co., on a bid of 91.652. At this price the money is costing the province 4.51 per cent. Alternative bids were asked for 4 and 4½ per cent. The bids were:

	4% Bonds.	4½% Bonds.
Wood Gundy & Co.	91.652	99.552
Dominion Securities Corporation	91.64	99.33
A. E. Ames & Co.	91.524	99.537

Manitoba Issue

Wood, Gundy & Co. and syndicate were the successful tenderers for an issue of $3,000,000, Province of Manitoba, 4 per cent. bonds, due 1957. At the price of 92.657, the cost to the province is 4.45 per cent. Alternative tenders were asked for 4 per cent. and 4½ per cent. bonds. The new bonds are payable in Canada and New York. Following is the list of bids:

	4% Bonds.	4½% Bonds.
Wood, Gundy & Co.	92.657	100.34
Canadian Bank of Commerce; Fry, Mills Spence & Co.; Bell, Gouinlock & Co.	92.5904	.....
A. E. Ames & Co.; Bank of Montreal; First National Bank, N.Y.; Redmond & Co.; Kissel, Kinnicutt & Co.; Hanson Bros. & Co.	92.429	100.25
Dominion Securities Corporation; Dillon, Read & Co.	92.37	.....
Royal Securities Corporation; Bank of Nova Scotia, Guardian Co.; Matthews & Co.	92.28	.....
McLeod, Young, Weir & Co.; Halsey, Stuart & Co.; Wells, Dickey & Co.; Blair & Co.; Continental and Commercial Co.; R. A. Daly & Co.	91.895	.....

City of Winnipeg

The City of Winnipeg has sold an issue of $2,325,000, 4½%, 10, 20 and 30-year bonds to a syndicate composed of Wood, Gundy & Co., Chase Securities Corporation and the Royal Bank, on a bid of 99.579. Following are the bids:

Wood, Gundy & Co.; Chase Securities Corp.; Royal Bank of Canada	99.579
A. E. Ames & Co.; Continental and Commercial Trust and Savings Bank, Chicago	99.53
J. A. Thompson & Co.; Dominion Securities Corp.; Dillon, Read & Co.	99.337
Bank of Montreal; First National Bank, New York; Kissell, Kennicutt & Co., Redmond & Co.; Solomon Bros. & Hutzler; Hanson Bros.; MacLeod, Young, Weir & Co.	99.29
Bank of Commerce; James Richardson & Sons; Dyment, Anderson & Co.	99.2763
Fry, Mills, Spence & Co.; Bell, Gouinlock & Co.; Cochran, Hay & Co.; Alderson, DeJardin, MacDonald & Co.; John MacGregor Co.	99.271
Bank of Nova Scotia; Matthews & Co.; Royal Securities Corp.; Guardian Detroit Co.	99.184
Clark, Martin & Co.; National City Company	99.179
Equitable Trust Co.; Halsey, Stuart & Co.; Blair & Co.; R. A. Daly & Co.	*

*—Bid received after tenders opened.

BOND MOVEMENT OF THE WEEK

Week Ending November 22

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos, gen. mtge. .	6	1956	6.24	88¾	81¼	97⅞	88	101¼	100	96¾	96⅛
Can. Canners	6	1950	5.90	100	94	101¼	96½	....	101	101¼	101
Dom. Iron	5	1929	9.10	94	86	92	69	....	93	91	89½
Montreal Tram. "A"	5	1955	5.07	95	92½	98⅞	94¼	98⅞	98⅝	98⅞	97⅝
Do., 1st mtge.	5	1941	4.97	98½	93	100⅝	97⅞	101¼	100⅝	100⅝	99⅞
Ogilvie "B"	6	1932	5.20	105½	193¼	104⅞	103¾	105	103½	103¾	....
Steel of Can.	6	1932	5.26	107½	106	107½	105	....	107⅛	107⅛	....
Wayagamack	6	1951	5.78	100⅝	90	102¾	97	103¼	103⅛	103¾	....
War Loan	5	1931	4.35	102.40	100.35	102.25	100.75	102.45	102.15	102.25	102.00
Do.	5	1937	4.20	104.95	107.75	106.75	102.95	106.90	106.65	106.75	106.50
Victory Loan	5½	1927	5.50	102.50	100.15	101.70	99.55	100.10	99.90	99.75	....
Do.	5½	1933	4.30	106.35	103.20	106.15	105.05	106.15	105.95	106.15	106.00
Do.	5½	1934	4.72	104.40	102.65	104.75	103.30	104.85	104.65	104.75	104.45
Do.	5½	1937	4.17	109.30	106.70	111.10	106.85	111.25	110.95	111.10	110.70
Do., renewal	5½	1932	4.74	103.90	102.00	103.70	101.85	103.80	103.50	103.70	103.20
Do., refund	5	1928	4.50	101.35	99.85	101.45	99.75	100.45	100.25	100.45	100.00
Do., refund	4½	1940	4.45	96.95	95.60	101.15	96.50	101.85	101.45	101.15	100.75
Do., refund	5	1943	4.58	102.80	102.30	104.65	102.30	104.90	104.60	104.65	104.30
Do., refund	4½	1944	4.45	97.15	95.70	101.85	96.60	101.85	101.45	101.85	101.20
Do., refund	4½	1946	4.40	96.90	95.65	101.50	96.70	101.85	101.55	101.50	101.15

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
		Municipal					
Winnipeg	Nov.	Wood, Gundy & Co., and Syndicate	4½%	10, 20 & 30-yr.	$2,325,000	99.579	4.53
Merritton	Nov.	Royal Securities Corp.	5½%	15-yr.	60,000	103 57	....
South Vancouver	Nov.	Royal Financial Corp.	5½%	10, 20 and 30-yr.	55,985	106.282	....
Middleton	Nov.	Johnston & Ward	5%	20-yr.	16,500	100.56	4.95
Crystal Beach	Nov.	C. H. Burgess & Co.	5½%	10-ms.	35,535	97.50	6.01
Sandwich, Ont.,	Nov.	A. E. Ames & Co.	5½%	10 and 20-yr.	275,813	103.8	....
		Provincial					
Manitoba	Nov.	Wood, Gundy & Co.	4%	1957	$3,000,000	92.657	4.45
Alberta	Nov.	Bank of Commerce	4%	1957	1,850,000	91.923	4.49
Saskatchewan	Nov.	Wood, Gundy & Co.	4%	30-yr.	1,330,000	91.652	4.51
		Dominion					
Dom. of Canada Treasury Notes	Nov.	Canadian Banks	4%	3-yr.	45,000,000	100	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Power Corporation	Nov.	Nesbitt, Thomson & Co.	5%	1957	$5,000,000	98 ½	5.10
Hygrade Food Products	Nov.	J. A. Sisto & Co., N.Y.	6%	1937	1,000,000	99½	..
Stock Issues—							
Republic of Panama	Nov.	Royal Financial Corp.	7%	Serial	$$148,000	100	7%
Ontario Tobacco Plantations	Nov.	J. F. Mackay & Co., and Barrett & Ward	7%	Pref.	$5,000,000	100	7%
Hygrade Food Products	Nov.	J. B. Sullivan & Co., and F. Gillespie & Co., N.Y	Com.		24,000 shs.	$17.50	..
Service Station Equipment	Nov.	A. E. Ames & Co.	Class "A"		35,000 shs.	$26.50	..

Bond Notices

A final payment on account of principal, amounting to 7 per cent., will be paid by the Royal Trust Co. to holders of Cap Magdalen Pulp and Lumber Co., 1st mortgage 20-year, 7 per cent. bonds, due May 1st, 1944. This brings the total distribution up to 17.72 per cent. of the face value of the bonds on the 24th December, 1927.

Spanish River Pulp and Paper Mills, Ltd., has drawn for redemption, on account of sinking fund, certain of the 6 per cent. first mortgage bonds maturing December 1, 1931, payable on January 1st, 1918, at the Montreal Trust Co., at its offices in Toronto, Montreal, or London, or the agents of the Royal Bank of Canada, 68 William St., New York City, at the rate of 110 and accrued interest. List of drawings can be had from the Montreal Trust Co.

United Securities will on January 2, 1928, redeem 2,500 shares of its 6 per cent. cumulative preferred stock at the price of $105 a share, together with all unpaid and accrued dividends thereon to the said date.

Notice is given to holders of the 5½ per cent. first mortgage bonds of Barcelona Traction, Light and Power Co., who have not lodged their bonds for the purpose of having printed thereon a memorandum of resolutions passed at the meeting of the 25th June, 1924, and of supplemental trust deed executed in accordance therewith and for the purpose of having new coupon sheets attached, that interest on coupon No. 32 will only be paid on presentation of the new form.

Bond Redemptions

	Rate	Due	Redeem.	Price
Shawinigan "A"	5½%	1950	Dec. 1	110
Do., "B"	6%	1950	Jan. 1	105
Do., "C"	6%	1950	Jan. 1	105
Do., "D"	5½%	1954	Apr. 1	105
Do., "E"	5%	1955	Apr. 1	105
Do., Cons. Mtge.	5%	1934	Jan. 1	110
Ott.-Montreal Pow.	6½%	1940	Dec. 1	105
Gatineau Pr.	6½%	1940	Jan. 2	102½
Pt. Alfred Pulp "B"	6½%	1943	Apr. 1	104¼
Jacobs Bldg.	6½%	....	Jan. 1	105
Nat. Breweries (Call part only	6%	1939	May 1	105
Ottawa Gas	6%	1939	Mar. 1	103

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Service Station is to be Called on Curb Market

Shares of Service Station Equipment Co., Ltd., will be called for trading on the Toronto curb market within a few days, it is expected. The issuing price was $26.50 and over-the-counter transactions since have been between 33 and 34.

Service Station Equipment Co. will supply a substantial proportion of the gasoline pumps and other gas-station equipment in Canada. Patents are controlled for Canada, Great Britain, France, Germany and Belgium. The capitalization of the company is 70,000 shares of common of no-par value, without bonds or preferred stock, but only 25,000 shares of the common, (Class B), has voting rights. The public has been sold Class A stock.

Black Succeeds Hosmer

MONTREAL.—W. A. Black was elected president of the Ogilvy Flour Mills Company, succeeding the late Charles R. Hosmer, at a meeting of the directors of the company held this week.

The vacancy created on the board of directors by the death of the president was filled by the election of his son Elwood D. Hosmer to the board. R. R. Dobell will succeed Mr. Black as vice-president. G. A. Morris is named assistant to the president and secretary. J. C. McLaughlin, treasurer, and H. K. Hepburn, assistant secretary and treasurer.

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OPTIMISM PREVAILS AMONG FRATERNAL LIFE ASSOCIATIONS

1927 Has Been One of Best Years in This Class of Assurance

Considerable optimism prevails in the ranks of the Canadian fraternal societies as they look back upon their activities during the year 1927. According to information given to The Financial Post by various officials this week, the year 1927 has been one of the best that fraternalism has seen in many years. The increased activity in this field is attributed almost entirely to more prosperous times throughout Canada, and to the fact that this prosperity has reached the fraternal associations at a time when their organizations have been scoured and renovated, and are financially in sound condition.

In the field of fraternal insurance, the yard-stick of progress is of course membership rather than the amount of business written, and in this department, the 1927 figures are expected to show a healthy increase. Take, for instance, the Canadian Order of Chosen Friends, with head office in Hamilton, whose membership at the end of 1926 amounted to about 14,800.

New Members

During 1927, this society set as its 1927 objective, the acquisition of 1,500 new members, which in itself was a worthy objective, especially as in the past, fraternal organizations have considered themselves fortunate if they could maintain the membership of the previous year, quite irrespective of any attempt to increase their numbers.

However, according to William F. Montague, the grand recorder-treasurer of the society, this objective has already been surpassed by more than 100, and there is every indication that by the end of 1927, the association will have added 200 members to its roll. This experience is not an isolated one and according to the returns being received by Mr. Montague, who is also secretary-treasurer of the Canadian Fraternal Association, this experience is being shared by most, if not all, of the Canadian fraternal associations.

Speaking to the biennial council of his own society this year, Mr. Montague made the following statement which seems to be borne out by the general condition of things at the present time. Mr. Montague said: "The outlook for the future is very bright indeed as to a large extent the clouds have rolled away and there is plain sailing ahead of the order, with every prospect for the greatest success."

Breaking Ice

Evidently the growth of fraternalism is largely a matter of breaking the ice. Once a lodge starts to add one or two members to its association, there seems to be a contagiousness about the thing that brings half a dozen more members rolling in. For instance, three lodges in Ontario had not been heard from for over ten years as far as membership was concerned, when suddenly an application arrived from one, and within a week or two, all of the three lodges had enlisted new members in their fold.

Undoubtedly the increased optimism and prosperity that is sweeping Canada at the present time is one of the main factors in this increased activity in fraternalism. The class of men who compose the great body of fraternal membership, have been placed in a comfortable position by present economic conditions, and the desire to add more protection, and at the same time to share in the benefits of a fraternal organization, have led to their enrolment.

Benefits and Prestige

In point of numbers and financial standing, one of the biggest fraternal societies in Canada is the Independent Order of Foresters. As far as this particular organization is concerned, the year is not expected to show a very large increase in actual membership, but as far as financial standing is concerned, the I.O.F. have been able during this present year, to further consolidate their position, and to increase in every way the benefits and prestige that have been developing for so many years. The fact that a great many policies are being substituted this year and exchanged for the more up-to-date contracts now being issued by the organization, has caused the order to turn all of its energies of late to this phase of fraternal work, rather than to any large programme of expansion. The year has been a good one however, from every angle, and according to the officials of the order, there has been a particularly splendid response to their new programme of supplying free surgical attention to the members in Central Ontario.

A HEALTHY SIGN

After the seemingly interminable time, when "No Help Wanted" signs were printed or painted on conspicuously placed bulletins, it is refreshing to see "Help Wanted" notices again in evidence. Kitchener, Ont., had two "employment" notices this week within a short distance of each other.

Interest Rates Decline in Quarter of Century is Freeman Prediction

Price Changes, Underlying Influences of Demand and Supply of Capital Are Important Factors Which Have Definite Bearing on This Question

A guarded prediction that the rate of interest would decline gradually during the next 25 or 50 years, sums up the deliberations of Prof. Ralph E. Freeman of the University of Western Ontario, who delivered to the Canadian Life Officers' Association last week, an address on "The Future Trend of the Rate of Interest."

In attacking this tremendous subject, Prof. Freeman admitted his inability to come to any decisive conclusions on the subject, but presented to the Life Officers a consideration of the more important interest-determining forces.

The influence of price changes on the rate of interest; the future trend of prices; the underlying influences of the demand and supply of capital; and the particular application of these world factors, inasmuch as Canada itself is concerned, were all discussed by Prof. Freeman, as the important factors which have a definite bearing upon the question.

Discussing the question in so far as Canada was concerned, Prof. Freeman made the following remarks:

Rates in Canada

With regard to the rate of interest in Canada as distinct from other countries, there is a great deal that might be said. Since the supply of loanable funds tends to be greater in proportion to the demand for them in lending countries than in borrowing countries, and, since Canada is likely to be a borrowing country for many years to come, the rate prevailing here is likely to be slightly above the rates prevailing in the more developed creditor countries. This difference in the rate of interest between borrowing and lending nations is due to the fact that savers prefer to invest their money within their own borders where conditions are familiar and where it is easier to keep an eye on their investments. But, apart from this differential, the net rate tends to equality as between different countries.

Therefore, it may be said that interest in Canada will fluctuate with changes in interest in other parts of the world and be subject to influences arising from alterations in demand or supply conditions anywhere in any foreign country. Should more favorable investment opportunities be opened up here than in other nations causing the price of investment loans to rise to a higher level here than elsewhere, capital would soon begin to flow in from abroad, and there would be a movement toward equalization. The only permanent differences that are likely to exist, in addition to the one mentioned above, are those due to differences of risk arising out of the speculative nature of our industries, heavy taxation, unfavorable legislation and so forth. There is no doubt that, if for any reason, capital is discouraged from entering the country or induced to leave it, the gross rate of interest will rise to a level higher than that prevailing in other countries where such conditions do not exist.

Referring to world conditions the address was as follows:

The first point to be dealt with is the influence of price changes on the rate of interest. In this connection let me remind you that it is not a matter of great importance whether the price level is high or whether it is low. When once the stage of higher prices has been reached and all the prices in the system have become adjusted to each other, there is nothing in the nature of the case to make interest higher or lower. What complicates the situation is not the actual level of prices, but the shift from one price level to another.

When prices are on the up-grade, the prospects of gain, in business, are favorable and there is an increased demand for capital, causing a rise in the interest rate. When prices are declining, business is usually slack, the demand for capital diminishes, and interest rates fall. But whatever forces there may be at work, it is generally recognized that periods of rising prices are usually periods of rising rates, while periods of falling prices are characterized by a decline in the rate of interest.

Future Trend of Prices

The problem of the future trend of general prices concerns the factors which are likely to affect the value of gold, for there is no prospect, if one may judge from present indications, of the world abandoning the gold standard. The outstanding feature of the gold situation at the moment is the decline in the rate of growth of our monetary supply, due partly to a falling off in the output of the mines, and partly to the hoarding of gold by the people of India who have from time immemorial practised the hoarding of the precious metals.

Now if the annual additions to our monetary stock of gold continue to diminish while the demand for it increases, the price level will almost certainly fall. On the supply side this tendency may be offset in three ways.

(1) The quantity of gold mined may increase;

(2) The amount being hoarded may diminish;

(3) There may be a reduction in the proportion of gold used for non-monetary purposes.

Of course it is impossible to forecast what new gold-bearing ore will be discovered in the future. It is certain that the sources of supply already known are being gradually and steadily exhausted and that, unless new and profitable fields are opened up, we have nothing to hope for from this source. Nor do I see any reason to suppose that less gold will be used for industrial purposes in the future than in the present. On the subject of hoarding, the Indian Currency Commission stated that the habit is beginning to yield to the influence of security and order and of improved currency and banking facilities.

On the demand side the future purchasing power of gold is conditioned by two principal factors:

(1) The economy with which gold is used for currency and banking purposes, and

(2) The growth of population and trade.

In respect to the first of these factors, it is probably vain to look for economy by the further substitution of paper notes for gold. Indeed, for currency purposes, there is likely to be an increased demand from countries striving to re-establish themselves on a simon-pure gold standard. But this increased demand is likely to be counterbalanced by the release of supplies from the swollen reserves of the United States and by the further extension of the cheque system in Europe and possibly in South America and the Oriental countries. Then there is the question of the elasticity of the banking systems of the world. As you know, our currency and credit systems are founded upon ratios, there being a fairly definite ratio between gold reserves on the one hand and deposits and notes on the other in practically all countries. If the central banks and other agencies in control of the reserves, could get away from the practice of maintaining rigid ratios and frame their policies according to general financial and industrial conditions, the difficulties attending a world shortage of gold would be greatly mitigated.

Growth of Population

In respect to the second principal factor operating on the demand for gold, namely, the growth of population and trade, it is impossible to make any kind of an accurate forecast. Though the long time trend is blurred by seasonal and cyclical fluctuations, statisticians recognize that the past has been featured by a gradual upward trend in the volume of production and trade.

But it seems to me that on the basis of present facts and tendencies the weight of evidence is in favor of a decline in the supply of gold in relation to the demand, and consequently a gradual decline in the price level. But I am not at all confident about it. It would be possible for a person to come to the opposite conclusion on the basis of the same facts. There is always the possibility that price stabilization may be achieved by some sort of co-operation between the central banks of the various nations. There is also the possibility that the world may abandon the gold standard. But I think enough has been said to make clear that no confident prophecy of the future trend of gold prices can be ventured.

Price Changes

In any case, the change in the price level will probably be too gradual to affect seriously the position of insurance companies. Indeed, I am inclined to the opinion that writers on this subject have attached too much significance to alterations in the price level. Though, as I have pointed out, price levels and interest rates display a tendency to move together, statistical enquiry shows that interest on investment securities does not fluctuate as violently as prices. It may be said

(Continued on page 24)

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Please send me particulars of your Double Indemnity Policy.

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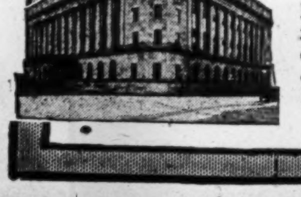

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Current Events in Banking World

BANKS MUST GIVE EFFICIENT SERVICE, AVERS WESTERNER

As Competition Becomes Keener, Staffs Should Show More Courtesy

By a Western Banker

As competition for the custody of the people's dollars is becoming keener it is especially necessary that our banks take every precaution to see that their staffs are giving prompt, efficient and courteous service.

As a bank employee I know something of the trials, tribulations, and worries of the average bank clerk, and any criticism that I make may apply as much to myself as to many others.

Cause for Complaint

While probably no business will always give service that will completely satisfy everyone it seems to me that in the larger offices of our banks there is at times much cause for complaint in this respect.

Improvement is needed in the form of more courteous treatment and faster service at the various departments, more particularly the savings, and tellers' wickets. In this article a few examples of work at the tellers wickets will be detailed in an effort to indicate where improvement can be made. In a future article the work in other departments will be detailed.

Some of us are frequently too independent. This may be a very good personal characteristic, but we should remember that in business it may easily prove disastrous. While all classes of business are not managed along the same lines there is little doubt but that bank clerks especially in the larger offices are inclined to adopt a much more independent attitude in serving customers than do clerks in stores and most other business places. The nature of our employment is partly responsible for this. Dealing in money and credit we have to be constantly on guard against loss by fraud. Usually our attitude toward strangers is one of suspicion, and sometimes of indifference. However, it is not so much the manner in which we treat strangers that this article is concerned about as it is our regular customers.

Close Supervision

Our banks started as small institutions, and in order to survive undoubtedly gave as good service as other business people, but one would be rash who said that such was always the case now. What has caused the change? Is it because our banks have grown so large that close supervision over the detail work of their business is not maintained? As it is the larger offices that are chiefly at fault in regard to service one would believe that such is the case.

Poor service is not always the fault of the clerk, but sometimes of circumstances over which he has no control. As for instance when a teller has to make out a deposit slip for a depositor he may be keeping others waiting. The proper procedure in cases of this kind is of course for the teller to make out the slip, but unfortunately the customer is too frequently told to make his own slip. This is only so, however, when there are others waiting, or at least it should be. While it is better to have the depositor make out his own deposit, to tell him to do so when the teller is apparently doing nothing and no other person is waiting would seem to be courting trouble.

It is occurrences of this kind that test the calibre of the clerk. The manner displayed reflects the service of the institution, but this unfortunately is not always remembered in the rush of a busy day. Too often when a case of this kind occurs the depositor is greeted with a curt demand to "make out a deposit slip, you will get one at the counter." In theory the teller may be right, but it is not likely that such service will be appreciated very much by the customer, and will tend to weaken goodwill. The teller can make out the deposit and explain that the next time the customer should make it out himself.

The delay is not always at the tellers wicket. A customer came into a bank recently to purchase a New York draft. It took him 30 minutes to get the draft. He must have been a shareholder of the bank, or he wouldn't have waited that long for it.

Service to Customers

A frequent source of dissatisfaction is for a customer to be sent from one wicket to another, and when he gets there to be told to go to someone else. In some of the larger offices receiving tellers must pay as well as receive, and vice versa. Too frequently some tellers will not do anything but their own work, and if a cheque is presented for payment or deposit will curtly tell the bearer to take it to another wicket. While the division of work whereby each teller handles the accounts for a particular part of the alphabet is very necessary it should not be an iron clad rule that other work cannot be done. In this case the customer should be attended to and told that next time he should go to wicket No. so and so. When criticizing the writer one time, a customer once said to me, "service to customers should come first." This should be the predominant thought in the minds of us all.

The clerks at point of contact are not always to blame for faulty service. Too often our banks spend thousands for advertising, and will not spend ten cents worth of personal enthusiasm on the inside to make it go. They will pay $500 for a newspaper page for a one time shot, and let a good teller, at a vital point of contact be disgruntled for a year, when a $300 annual raise would make that teller worth 20 newspaper pages in the promulgation of goodwill.

They are willing to buy expensive horsepower in the boiler room of advertising and refuse the expense of cup grease to keep the machine running smoothly on the inside. This is a tip for managers. Keep your clerks at point of contact satisfied by liberal salary increases and occasional praise, you cannot expect them to give satisfactory service otherwise.

It seems to me that one of the chief causes of trouble with our banks, and bank clerks is that we depend too much on system. We think that if we work our systems, that all our duty has been done. As a matter of fact a system should be nothing but a helper. Headwork and thinking in business should go on, system or no system. Systems are all right to keep track of things, but I never knew a system that would develop a new thought or a new idea.

OPEN NEW BRANCHES

Work will commence about April 1 on a new branch of the Canadian Bank of Commerce on the corner of 101st street and Jasper avenue, Edmonton, according to an announcement made by W. G. Lynch, the Edmonton manager. The building will cost in the neighborhood of $400,000.

R. Brey, of Kinistino, has opened a branch of the Bank of Montreal at Weldon, Sask. The branch is open for business on Tuesdays and Fridays.

Staff Gossip

G. Grant, of the Dundurn branch of the Royal Bank, has been transferred to the branch at Birsay.

B. H. Bloodsworth, manager of the Canadian Bank of Commerce at Neustadt for the past five years, has been transferred to Hamilton, where he will have charge of a new branch which is being opened in that city.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Nov. 18, 1926	Nov. 17, 1927
Halifax	$ 3,078,522	$ 3,326,124
Saint John	2,662,072	2,673,247
Moncton	931,260	1,012,286
Sherbrooke	790,367	948,018
Montreal	119,065,647	154,579,068
Quebec	7,576,625	7,489,702
Ottawa	7,660,588	8,986,099
Kingston	770,736	1,018,621
Peterborough	848,729	900,552
Toronto	109,344,240	149,024,661
Hamilton	6,441,259	5,071,828
Brantford	1,195,889	1,296,402
London	3,145,475	3,598,265
Kitchener	1,192,796	1,499,111
Sarnia	720,908	253,023
Windsor	5,187,288	5,312,712
Chatham	730,189	755,523
Western Cities	Nov. 18, 1926	Nov. 17, 1927
Fort William	$ 1,774,206	$ 1,205,701
Winnipeg	74,623,808	95,617,520
Brandon	871,737	819,793
Regina	8,477,117	8,594,638
Moose Jaw	1,776,174	1,964,497
Prince Albert	470,489	520,216
Calgary	11,122,626	13,650,244
Edmonton	....	8,624,953
Medicine Hat	433,033	607,584
Lethbridge	822,338	1,063,758
New Westminster	780,199	759,184
Vancouver	18,052,425	21,454,901
Victoria	2,151,890	2,697,326
Saskatoon	2,819,690	3,449,753

Europe's Economic Stability Greater, Judged by Currency

Europe now has an economic stability of 95.3 per cent., as measured by the stability of foreign exchange of its principal nations, excluding Russia, according to data prepared and published in book form under the title of "Economic Briefs of Europe," by Ames, Emerich and Co., American investment bankers.

The book discusses this growing stability as the outstanding recent development in the field of international economics. "Indications," say the bankers, "are found in the increasing strength of the financial position of the central banks, in the growing volume of foreign trade, and in the increasing quantity of manufactured goods produced and consumed. But Europe's recovery is most strikingly revealed in the ever-growing stability of the foreign exchanges of these nations, for, determined as this index is by all the various factors which affect the economic position of the country, it is probably the best single test of such position."

Williams Plow & Co. Open New Offices

From Our Own Correspondent

MONTREAL. — The Montreal investment house of Williams, Plow and Company has opened new offices at 482 St. Francois Xavier Street. In addition to bond trading facilities, the company has a seat on the Montreal Curb Market.

Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates,
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We are well informed on the oil situation.

Winter—
Yet Glorious Roses for the Picking

THINK of pavements glistening in the Winter cold—of ice-kissed trees—of your garden flowers lying dormant under a covering of snow, awaiting Spring.

Then—fancy stepping from your dining-room into a warm garden. All around you are your floral treasures. The air is perfume-laden. You stoop and pick a rose, perfect in size and scent, in shape and colour—foretaste of Summer.

Such joy and satisfaction may be yours each Winter morning if you add a Lord & Burnham glass garden to your home.

¶ We design and build every size and style, for every purpose, each one planned to harmonize with its surroundings. Let us send you some of our attractive literature. Write for booklets to-day.

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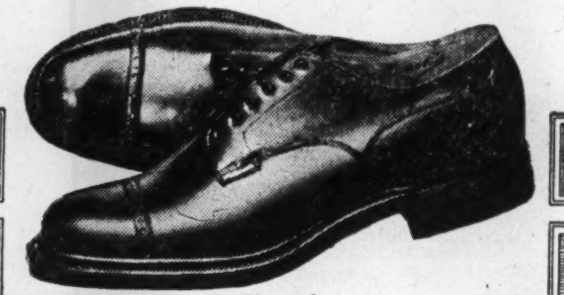
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutliffe, London, Eng.



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(from maker to wearer)

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Most styles $12.50.
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BEHIND Mitchell Metalcraft there is seventy-six years' experience—the assurance that no matter what the piece, it will be executed with the utmost care and pride.

We have exceptional facilities for producing the finest work in bronze and wrought iron.

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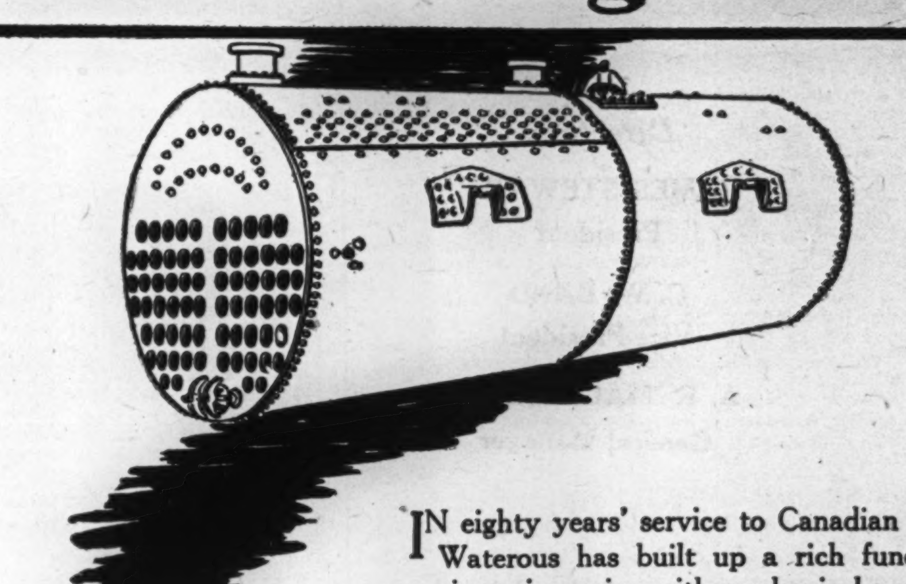

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Latter Concern Holds Large Contracts with Hearst Publications

From Our Own Correspondent

MONTREAL. — The latest newsprint merger story is interesting. It is said that the International Paper is now negotiating to acquire the Donnacona Paper Company. The rumor has received no official confirmation whatsoever. The Donnaconna Paper Company holds large contracts with the Hearst publications and operates a newsprint mill at Donnacona, Quebec, with a capacity of over 200 tons daily. Its earnings record has been eminently satisfactory.

The investment interest in Donnacona centres largely on its bond issue, but there are a few shares of common stock held in Canada.

Following the International Paper merger story it was also said that the Abitibi Power and Paper Company was negotiating to acquire Donnacona.

Toronto Brewing Reports Growing Trade in Beer

Shareholders of Toronto Brewing & Malting Co. are in receipt of a letter signed by Duncan McLaren, president. The letter states that the company's business has been progressing satisfactorily and that a new export ale, called Black Diamond, will be on the market about December 1st. The first product of the company was Liberty Beer, and a four-point-four product which since has been developed, is known as White Ribbon.

It is said that the export business of the company has been developing rapidly and that the sale in Ontario is growing under the provincial liquor law. Mr. McLaren suggests that the shareholders advisedly would see that their individual orders for beer and ale are filled with the company's products.

FOREIGN EXCHANGE

NEW YORK FUNDS

	High (Discount)	Low (Discount)	Last Year High (Discount)	Last Year Low (Discount)
Nov. 17	11-64	3-16	9-64	5-32
Nov. 18	11-64	11-64	5-32	5-32
Nov. 19	11-64	11-64	5-32	5-32
Nov. 21	11-64	3-16	5-32	11-64
Nov. 22	11-64	3-16	5-32	3-16
Nov. 23	11-64	3-16	3-16	3-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Nov. 17	4.87 3/16	3.92⅝	5.44⅝
Nov. 18	4.87⅛	3.92⅞	5.43½
Nov. 19	4.87 5/16	3.93	5.43⅝
Nov. 21	4.87⅜	3.93 1/16	5.44½
Nov. 22	4.87¼	3.92¾	5.44½
Nov. 23	4.87 5/16	3.95⅛	5.44⅝

FOREIGN EXCHANGE

Par		Nov. 16	Nov. 23
13.90	Italian	5.44	5.44
23.82	German	23.82	23.84
19.30	Belgium	13.93	13.93½
84.85	Japan	45.55	45.75

Railways Expected to Increase Orders

From Our Own Correspondent

MONTREAL. — Increasing investment interest may be attracted to the shares of the Canadian Car and Foundry Company, the National Steel Car Corporation, and the Canadian Bronze Company, as it is thought that larger orders must shortly be placed by the railways for additional equipment. These are the three principal companies engaged in the manufacture of railway equipment, and although the purchases of the Canadian railways have been curtailed during the past few years, it is thought that more generous orders cannot fail to materialize soon. Increased earnings would accrue to these three companies as soon as the railways begin placing sizeable orders once again.

Tenders for

TOWN OF NEW TORONTO

DEBENTURES

Sealed tenders addressed to the undersigned will be received up to twelve o'clock noon, Monday, December 5, for the following blocks of debentures, all bearing 5 per cent. interest with coupons attached; and all being payable in equal annual installments of principal and interest.

Pavements and watermains $59,650.00—15 years.

Sidewalks $7,900—10 years.

The highest or any tender not necessarily accepted.

W. B. CURTIS, Treasurer.

DOMINION GLASS CO., LTD.

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1927.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1927.

The above Dividends are payable on Monday the 2nd day of January, 1928, to Shareholders of Record at the close of business, Thursday, the 15th day of December, 1927.

By order of the Board.

MERVYN OFFER, Secretary.

Montreal, 17th November, 1927.

SCANDINAVIAN

Thorough knowledge of all international banking and financial technicalities, well acquainted with North-European, Icelandic, and Central-European commercial and financial conditions, excellent references, desires position offering future.

Box 140, Financial Post, Toronto 2, Ont.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada)

5½% FIRST MORTGAGE BONDS

NOTICE IS HEREBY GIVEN that the half-yearly interest on the 5½% First Mortgage Bonds of the Company, payable in Pesetas, and due 1st December, 1927, will be paid on and after such date at the Office of Messrs. Arnus-Gari, 9 Paseo de Gracia, Barcelona, Spain, against production of Coupon No. 32.

Bondholders have the option of collecting the above peseta interest at The Canadian Bank of Commerce, 25 King Street West, Toronto, in Canadian currency at the current rate of exchange between Madrid and Toronto for the day upon which such coupons are presented for payment.

Bondholders who have not lodged their Bonds for the purpose of having printed thereon a Memorandum of the Resolutions passed at a Bondholders' Meeting held on the 25th June, 1924, and of the Supplemental Trust Deeds executed in accordance therewith, and for the purpose of having new Coupon Sheets attached, should do so without delay, as the above interest will only be paid against the presentation of the new form of Coupon.

DATED this 21st day of November, 1927.

For

BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED

R. H. MERRY, Secretary.

FALK

HERRINGBONE GEARS

Falk Herringbone Gears for tube mills, ball mills, rod mills, kilns, hoists, presses.

Made from special alloy heat-treated steel up to 16′ diameter and 6′ face.

We are sole sales representatives and licensed manufacturers of Falk Products for Canada.

THE WM. KENNEDY & SONS LIMITED

OWEN SOUND - ONT.

Toronto: 105 Bond St. ELg. 9656

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919 and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.

(Sgd.) JAMES WILSON, Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Boreugh of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.

(Sgd.) JAMES WILSON, Secretary.

Pure Gold Manufacturing Company Limited

Toronto, Canada

Notice is hereby given that a dividend of fifty cents a share on the paid-up Capital Stock of the Company has been declared, payable Thursday, 15th December, 1927, to shareholders of record at the close of business on the 30th November, 1927.

By order of the Board.

J. C. JAMIESON, Secretary.

Toronto, November 21st, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.

(Sgd.) JAMES WILSON, Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank. of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.

(Sgd.) JAMES WILSON, Secretary.

Belgo Canadian Paper Company, Limited

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared for the quarter ending December 31st, 1927:

Dividend No. 18 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the third day of January 1928, to Shareholders of record of the 2nd day of December 1927;

Dividend No. 13 on the Common Stock: One and a half per cent. (1½%) payable on the twelfth day of January 1928, to shareholders of record of the 31st day of December 1927.

By order of the Board.

G. WILFRED HODGSON, Secretary-Treasurer.

Montreal, November 22, 1927.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,

Jas. Wilson, Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Five Per Cent. (5%) Consolidated Mortgage Thirty-Year Gold Bonds may surrender the same at the principal office of the Bank of Montreal in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of One Hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,

(Sgd.) Jas. Wilson, Secretary.

Cosgrave Export Brewery Company Limited

Dividend No. 20

Notice is hereby given that dividend of one and one-half (1½%) per cent., being at the rate of 6 per cent. per annum, has been declared payable Dec. 15th, to shareholders of record Nov. 30th, 1927.

By order of the Board.

JAS. F. COSGRAVE, Gen. Manager.

Nov. 22nd, 1927.

MAPLE LEAF MILLING CO., LIMITED

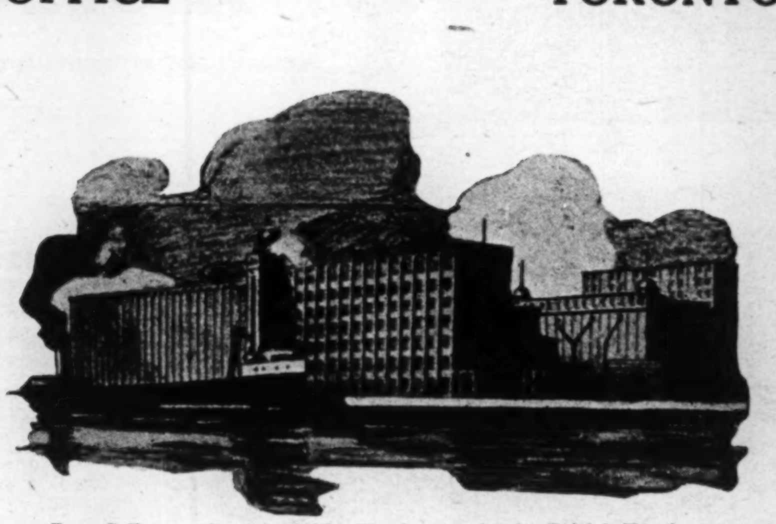
HEAD OFFICE TORONTO, ONT.

Directors:

JAMES STEWART
President

C. W. BAND
Vice-President

A. R. MACDONALD
General Manager



Port Colborne, Ontario, Mill—The largest in the British Empire—With a daily capacity of 14,000 barrels.

Directors:

H. J. SYMINGTON
MARK BREDIN
E. R. DECARY
R. COOPER
W. L. SHAW
D. L. CAMERON

The Maple Leaf Milling Co., Ltd., owns and operates seven mills — at strategic locations throughout Canada — with a total daily capacity of 24,500 barrels of flour and 17,000 bags of feed.

MILLS AT

PORT COLBORNE, ONTARIO
TORONTO, ONTARIO
KENORA, ONTARIO
MEDICINE HAT, ALBERTA
BRANDON, MANITOBA
PETERBORO, ONTARIO
THOROLD, ONTARIO

"A World-Wide Organization"

Branch Offices and warehouses at

TORONTO HAMILTON WELLAND LONDON BELLEVILLE OTTAWA
MONTREAL QUEBEC ST. JOHN, N.B. HALIFAX
WINNIPEG REGINA CALGARY KAMLOOPS VANCOUVER
NEW YORK

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 25, 1927 10c a Copy; $5.00 a Year No. 47

Closing Deal for Railway and Power for Flin Flon Means Big Expenditure

Whitney Interests Reach Agreement with Federal and Manitoba Govts.

SPEND $50,000,000

Principals Want Railway Assured in Year by C.N.R. — Sherritt Gordon Figures

From Our Own Correspondent

OTTAWA.—In the past few days the proposed development of the Flin Flon copper mine in Northwestern Manitoba has passed from the uncertain stage when there were many important points still to be negotiated between the Whitneys and the various governments, to a point where it is now certain that an immense development is to take place.

Just how great this development will be, and what it will mean to the northern areas of the two most easterly of the prairie provinces, it is difficult to grasp. But it now seems certain that there will be an investment within the next five years of more than $50,000,000 in the Flin Flon and other mines adjacent to it, and in a great power plant at White Mud Falls.

Hon. Charles A. Dunning, who has been one of the central figures throughout the negotiations, in expressing his opinion as to what the development will mean, stated that it marked the first great forward step of industry in the prairie west and that henceforth the industrial development would ballance the agricultural development, thus eradicating a lack in western growth which has been of national concern for more than 20 years.

Railway is Settled

With the agreement, in the past 48 hours, on the construction of a branch line of the Canadian National Railways from the Hudson Bay road to the property, the most difficult of the problems standing in the way of success has been removed. In order to make immediate construction possible, the Manitoba government has agreed to meet all deficits on this road up to $100,000 per annum for a period of five years. The Whitney interests also have put up a cash subsidy of $250,000. The National railways and the Whitneys, as announced in The Post last week, have agreed upon a schedule of rates.

It only remained for the National system to acquire a local charter, issued by the Manitoba legislature to the Northern Manitoba railway company two years ago, to make the construction of the line possible at once. This charter has been brought in.

Want Service in Year

The position at the present moment in regard to the railway, is that the Whitneys are demanding that the National railways guarantee that the line will be in operation one year hence. The National railways officials are somewhat dubious about giving such a guarantee, owing to the difficulty of building railway in winter and in a northern region, where supplies must be hauled in by team. However, various contractors are being called into conference and the contract will be awarded, without calling for public tenders, probably within ten days. At the present time, two firms are being considered. Messrs. Tomlinson and McLean of the Maritime provinces are seeking the job, but it is not certain that they could accomplish the work in the specified time. Messrs. Stewart and Cameron, a contracting firm in Winnipeg, also are in the running. The latter firm is building the last stretch of the Hudson Bay road to Churchill, and might not be able to enlarge the equipment so as to proceed quickly with the Flin Flon line. However, it is not anticipated that there will be any serious difficulty here.

Nelson River Power

In regard to the power site, the Whitneys definitely have decided to take White Mud Falls, on the Nelson river, instead of Island Falls, on the Churchill. The reason for the change is that White Mud is capable of de-

(Continued on page 19)

Write for

"TICKER TOPICS"

A special Bulletin Service of interest to investors.

Free upon request.

Consolidated Investments LIMITED

Adelaide 2531 Federal Bldg., Toronto, Ont.

20,000 ft. Drilling on Sherritt-Gordon

Bids have been received for 20,000 ft. of diamond drilling on Sherritt-Gordon Mine, Northern Manitoba. It is stipulated that the contractor must put in four drills. A series of 1,000 ft. and 1,500 ft. holes are to be put down. At present one drill is working near the west end of the eastern ore body. 50 tons of supplies have been freighted in by plane. Company engineers are said to be contemplating taking in a mining plant during the winter.

Several groups of prospectors have been working on sulphide bodies near the Sherritt.

Scraped Hand on Rock and Found High Grade Ore

STEWART, B.C.—The recent important silver discovery on Silverado property, near here, was made when one of the men on the property grasped hold of the rock to hold himself when traveling over a spot where the footing was not good. He felt that peculiar rasping that comes when one touches rock carrying heavy in silver.

The Stewarts of Victoria, the principals in Dunwell, are backers of Silverado. Where the discovery was made was near tidewater. In the early days of the camp, rich silver float was found at the foot of the hill, but prospecting failed to reveal its source. At that time, 20 years or so ago, the place where the find was recently made was covered with glacial ice. Since then, however, the ice has gone. Rainier claim of the Silverado group, was one of the first claims staked in the Portland Canal district.

ABANA ZINC AND COPPER BODIES AT PARTING OF WAYS

Zinc Goes Off to N.E. While Copper Continues Along Its Old Strike

Important structural developments have taken place on the 300-ft. level of Abana property. The zinc body has started to shoot off north east. This is in keeping with the preconceived ideas as indicated by the diamond drilling and the electrical survey. The copper body continues to head south east. Up to this point, 190-ft. from the shaft, the zinc and copper bodies have run along parallel. An assay taken 100 ft. east of the shaft just recently shows how they lined up as well as the high content of the ore. First nine feet were zinc averaging $30.08 to the ton. The next 12 ft. were copper $35.96 to the ton and then eight feet of copper-zinc, $21.38 or an average of $30.12 over 29 ft. A drill hole cut this body just above this horizon at 150 ft. and the average value secured was $30.04 which shows that the body is fairly uniform in values.

Since the zinc and copper bodies parted, further driving along the copper ore has revealed a four foot quartz vein that is expected to show commercial values in gold.

Expectations are that an order will soon be placed for 500 ton concentrator. It is expected that it will be started off at a rate that will produce 50 tons of concentrated daily. It is believed that this is about the maximum that can be hauled out to the railway and this would continue until rail transportation was available.

The present development program includes a drive to open the 100 and 200-ft levels and also to sink a winze and open up levels at 400 and 500 ft.

LEBEL ORO MEETING

Lebel Oro Mines, Kirkland Lake, will hold its annual meeting Nov. 30 in Toronto.

GULL - KIRKLAND MINES Limited
(No Personal Liability)
Property situated in the
KIRKLAND LAKE CAMP
Diamond drilling has given important results.
Write for particulars and summary of engineers' reports.
W. B. CUMMING & COMPANY, Limited
21 King St. East,
TORONTO 2.
Phone Ad. 7388

Bidgood Has Mine Possibilities

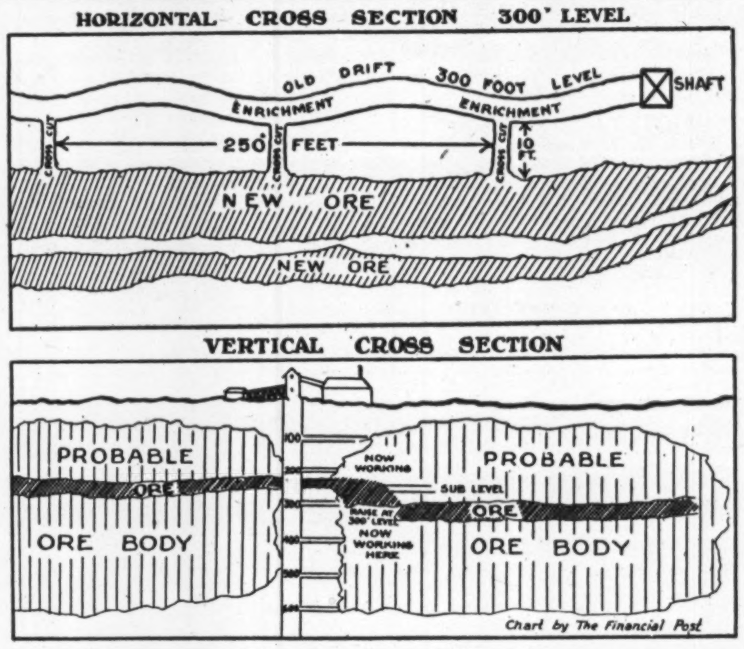


Chart by The Financial Post

The above graph shows a horizontal and vertical section of Bidgood mine, Kirkland Lake, which has been much in the limelight of late and which is now being eagerly watched. Bidgood is an old operation that after carrying on for some time fell upon evil days and suspended operations for a considerable time. Leo Ernhaus, Haileybury, interested new funds in the venture and secured operating control. He did some drilling and also made a close study of the underground workings and as a result, work undertaken on the 300-ft. level opened up a substantial shoot of ore.

The situation that existed was much the same as on the 1,000-ft. level of Lake Shore.. There they drove for a considerable distance along a barren vein looking for the ore. It later transpired that the ore was just a short distance off from the barren drift.

The situation at Bidgood is shown in the above horizontal section. It shows the old drift along the vein which was non-productive. In studying the walls of this drift, it was noticed that there was considerable enrichment where the walls bulged to the south. This led to the driving in of a few rounds and the ore was revealed. Several of these crosscuts have not been run and the vein has a length to date of around 250 feet on this level. The favorable geology extends for three-quarters of a mile. There are two pay streaks making a width of 21 feet in all. Values are placed conservatively at around $12.

The graph showing the vertical section shows the raise that has been driven from the 300 to a sub-level at 250 feet and this has been driven back towards the shaft. It is in ore and is now some distance west of the shaft and the face is reported still in ore. While this work is going on two drills have been started to work on the 400 and two more on the 600-foot levels to pick up the extension of the ore on these horizons. It is believed that the workings will be at a point where ore is to be expected on the 400-ft. level in a week or ten days. Close reading of the following official statement sent to shareholders by W. B. McPherson, secretary, will reveal considerable information:

"On the 300-foot level a large ore body has been opened up for a length of 250 feet parallel to and a short distance from the drift which followed No. 9 vein, and may safely be considered to run $12 to the ton over an average width of eight feet. The same ore has been followed upwards to a sub-level at 250 feet, where it will run $20 over drift width.

"In order to expedite development, it has been found necessary to increase the mine equipment, and an additional compressor has been installed and is now operating drills on the 400 and 600-foot levels where it is anticipated the same ore body will be opened up.

"The importance of developments to date would be difficult to exaggerate, and opinions from several very outstanding engineers confirm the belief of your directors that there is every indication of Bidgood becoming a producing mine.

"We are well financed and our equipment is sufficient for the time being. The work now in progress on the lower levels show results in a comparatively short time and at a relatively low cost.

"Recent shallow diamond drilling and surface work has proven the same geological structure as in the shaft area across our property for a mile on the strike of the vein system."

Change Has Taken Place In Mine Finance Methods

Pioneer, Bidgood, Crown Reserve, Brett-Trethewey and Howey Are Examples of How Quickly and Cheaply Well Sponsored Ventures Can be Handled

"As a result of the recent issue, 597,641 shares were subscribed by shareholders."

Extract from progress report of Pioneer Mining Corp.

What a change has come over mining finance.

A few years ago it was not quite the simple thing it is to-day to suggest to shareholders that they take up additional shares and have them pour $300,000 into a company's treasury.

It's not a simple thing for lots of them to-day.

Those who have failed to realize that the industry is rapidly changing still employ the old flamboyant method of costly finance.

They will tell you that brass band tactics are necessary to interest the public in a new camp or unproven area.

Howey didn't find it so. Jack Hammell never issued a circular to sell a share of stock.

Brett Trethewey didn't either, and it is doubtful if ten per cent. of the subscribers to this issue know where Barnett Tp., Ont., is.

This new company, in a new and untried area, let it be known that they were going to do preliminary financing. Subscriptions which flowed in for the small issue of stock totalled 1,000,000 shares. This compared quite favorably with the reception given some of the recent new industrial issues.

Mining finance is to-day assuming a level on a parity with industrial finance.

The secret of the success of Pioneer. Howey, Brett Trethewey is that the right people offered them.

Peo Ernhaus, when he took hold of Bidgood and Crown Reserve properties never offered a share to the public. He offered Bidgood shares to the shareholders and was tendered $150. He and his mining friends have kept both these operation amply supplied with funds at substantial prices per share.

In this connection there has developed a new yard stick for some mining enterprises. When the shareholders list includes a substantial number of the best mining men in the country, it is a fair sign that there is considerable confidence in the venture among those close to the industry.

Bidgood's Offer of Stock at 10 Cents Ignored Last April

Bidgood shares this week sold up to $1.80.

This price is pretty high. It is discounting considerable good news but then this good news may come so rapidly that what is to be considered a high price to-day may be low to-morrow.

The interesting thing about Bidgood is that the shares last April sold below 10 cents. At that time, when Leo Ernhaus took hold of the corporation, he decided that first of all shareholders should have a chance.

The shareholders evidently thought they were being handed a gold brick. Why buy shares at 10 cents when the market was around 4 or 5 cents? They didn't buy the 10 or the 4 or 5 cent stock and are likely kicking themselves to-day.

One shareholder in New Brunswick sent in $50 and one in Midland $100. There were 600 shareholders.

The two cheques were returned. The subscribers were told that the backers of the proposition decided that they would take up the whole issue at 10 cents themselves. They also advised the only two supporting shareholders to take their money and buy 4 and 5 cents shares in the open market. Both acted on this advice. If they still hold the stock they have a nice profit.

Leo Ernhaus and his friends put up the money that made Bidgood shareholders large profits. In this connection it is interesting to note that it was Ernhaus and his supporters that paid the highest price for the stock, back in the days of the old operation and before the reorganization. But no matter the price paid, all shareholders of Bidgood, that is those who purchased stock to help finance the mine, can to-day get their money back with at least compound interest.

Wide Area Dominion Has Witnessed Mining Development Recently

Sold $1,000,000 of Mining Machinery This Month to Date

One of the large mining machinery companies has sold one mining plant for each day of November.

The cost of each of these plants ranges from $30,000 to $100,000. If these plants average $50,000, this represents an expenditure of $1,000,000 in twenty days.

This company has been doing business at this rate, or very close to it, for many months.

Then there are the other large machinery companies which are also getting their share of the heavy equipment required in northern development.

Mining means more home labor employed, more supplies bought, more jobs created than any other industry in Canada.

And when Fortune smiles on mining effort, the wealth is new wealth—the "found money" of Canada.

Missed Million Silver Ore by Narrow Margin

Queen Bess mine near Sandon in the Slocan Country, B.C., is noted as being the scene of a bit of hard luck on the part of operators who missed a silver ore body by just a few feet, much the same as Farmer's Bank operators are said to have missed it on the Keeley in South Lorrain.

Queen Bess' smelter returns up to 1904 are said to have been $225,000. and it was considered about worked out. In 1916, Clarence Cunningham acquired the property and in a short time found a new ore shoot on the sixth level, which produced net smelter returns of $1,250,000. This ore body was missed by the old company by not extending the main drift on the fifth level for another 20 feet.

In later years, production has consisted chiefly of small tonnage from leasing operations. In 1925, leasers extracted $30,000 worth of ore above No. 1 level, and last year an effort was made to pick up the continuation of this ore.

PIONEER PREPARES FOR JUBILEE SHAFT

Will Start Sinking About Dec. 1 — Mill Plans May Then be Announced

Pioneer Mining Corp. expects to have its new 500-ft. shaft on the Jubilee break on Cooper Gold Mines properties, Michipicoten area, under way by Dec. 1, Cooper is a Pioneer subsidiary. Mill plans may soon be announced, but it is possible that this will be delayed until the shaft is complete.

Preparations are now under way. These include erection of a 3,000 ft. transmission line from the Minto to the Jubilee location, the assembling of the hoist and compressor at the new site, and the clearing of the shaft location. These are well under way and the actual sinking should commence about Dec. 1.

At the company's lead-zinc property in the Gaspe Peninsula prospecting work is still in progress.

Driving 3,250-ft. Tunnel on Kootenay-Florence

Kootenay Florence Mining Co., Ltd., Nelson, B.C., will hold its annual shareholders meeting on Dec. 5. Complete physical and financial reports will be submitted and a new board of directors elected. It is expected that at least three members will be elected from Toronto to represent large interests that have recently become identified with the company.

The mine manager reports that the lake level adit, which will open known ore bodies at further depth of 550 feet on the dip of the vein, is now approaching the 2,000-foot mark, advancing ten feet daily. It is expected that the eastern limits of the break containing the ore bodies will be encountered within the next hundred feet. The main objective of the adit is 3,250 feet from portal just above the shores of Kootenay Lake.

Very Large Mines Being Opened Up in Manitoba, Ontario and Quebec

GOOD NEWS APLENTY

Every Camp is Stirring With Activity—Intelligent Effort Means Much to Country and Industry

Mighty things have happened in 1927 across a 1,500 mile sweep of Canada's northland. It has been a year of climax in the great mining drama. If there is a frenzy of share buying on the markets, which may or may not have anything to do with mining development, is it to be wondered at?

Against a firmament in which the fixed stars of Canadian mining have been glowing as steadily and strongly as ever, observers of the mineral heavens are charting new stars and planets, taking their place in the economic solar scheme of the Dominion.

Let us survey the year in mining for a moment and then understand why, even if one considers only the outstanding developments, the Canadian people are showing such amazing interest in the wealth of the pre-Cambrian shield. Start with Manitoba and follow the mineral belts across three provinces.

Flin-Flon—This great copper property is about to be added to the list of Canadas' big metal producers. Optioned by Mining Corporation to the Whitney-Channing interests, it has passed the experimental stage in regard to ore treatment. A rough estimate of nearly 300,000,000 tons of ore indicated has been made and on the nearby Sherritt-Gordon an estimate of 200 000,000 tons. That these two properties may be amalgamated is one of the possibilities of 1928. The Dominion and Manitoba governments are now concluding arrangements for a branch of the Hudson Bay Railway to afford transportation for these two great deposits. As Flin-Flon is only the beginning of Manitoba mineral development, the building of a railway is certain to open up an immense new area for the developer. (Incidentally, we shouldn't forget that Flin-Flon is a property originally opened up by the north's own redoubtable Jack Hammell, who did Spartan work to get into the country and attract public attention to what he knew was a vast deposit of base metal).

Central Manitoba—This, the first gold mine of a neighboring province is now milling its ore and with prospects of developing an important producer. From this successful operation, jointly developed by the W. A. D. Syndicate, A. D. Miles and the John Taylor interests, many other developments have sprung and Manitoba pioneers are hard at work to bring in their own Porcupines and Kirklands. Central Manitoba carries the banner of pioneering and winning in a northern wilderness, "a thousand miles from nowhere."

Howey in Patricia—Jack Hammell chalks up Howey as a gold mine with ore at four levels. When Hammell says it, it's true. Thus are Red Lake and its hectic rushes vindicated. Those who went into Red Lake behind the right men have not been forced to abandon hope. Howey shows there are gold mines in "barren" Patricia. Such things as Jackson-Mannion may show there is more than one gold mine by the end of 1928.

Bunker-Hill and Sullivan—This is the name the public seems bound to

(Continued on page 19)

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REVIEWS HISTORY OF KIRKLAND AND NEW DEVELOPMENT

Federal Mines Branch Sees New Production Record This Year

By ARTHUR BUISSON

The gold rush into Larder Lake in 1906 resulted in many claims being staked near Kirkland Lake, but the first discovery was not made until 1911 on what is now the Wright-Hargreaves Mine. This was followed by a find on the Tough-Oakes property, which made a small shipment of high-grade ore in 1913, the first from the camp. In 1915 production had already exceeded the half million dollar mark and remained fairly uniform until 1920 when it rose to more than a million dollars. It has since increased gradually; to over three million dollars in 1924, to over five million in 1925, while for 1926 it exceeded seven million dollars.

The total capacity of the mills in the area, including the Argonaut at Beaver House Lake, and the Barry Hollinger at Boston Creek amounted in 1926 to about 1,800 tons a day. This was increased early in 1927 to about 2,500 tons, following the reopening of the Kirkland Lake mill and the completion of new mills at the Sylvanite and Teck-Hughes mines—so that production for 1927 will likely attain a new high record.

Ore Zone Proven

Exploration in the area has indicated one principal ore zone running north-easterly, along which the principal mines are located. They include in the order of their productive capacity: Lake Shore, Wright-Hargreaves, Teck-Hughes and Tough-Oakes; and the new Sylvanite mill was ready for operation in May, 1927. The Kirkland Lake mine started producing again early in October.

Development has been carried to its greatest depth in the Kirkland Lake mine, the lowest level of which is at a depth of 2,300 feet. The Lake Shore, Wright-Hargreaves, and Teck-Hughes, with their deepest levels respectively at 1,800, 1,500 and 1,900 feet, are gradually extending their shafts and workings to greater depths with 2,000 feet as the minimum objective. The gold production is derived from two main veins No. 1 and No. 2, and values range from a few dollars up to $300 per ton.

Ore is Uniform

The treatment of the ore, which is fairly uniform throughout the camp, consists essentially of coarse crushing in stages, followed by fine grinding in ball and tube mills, cyanidation, and precipitation with zinc dust. The presence of tellurides is troublesome and is responsible for a certain loss of gold in the tailings. As a result of experiments carried on by some of the chief operators, however, it is proposed to remedy this defect by the introduction of flotation into the mill circuit. This will remove from the pulp the comparatively small amount of rich tellurides and these can then be treated separately for the recovery of the gold they contain.

The Argonaut at Beaver House Lake has discarded cyanidation; and mill practice here consists of crushing, grinding in ball mills and tube mills, table amalgamation and oil flotation. Resort has been had to this method owing to the high copper content of the ore, which runs in places as high as five per cent. Production from this mill includes gold bullion and copper concentrates.

A number of operators whose properties have not as yet reached the producing stage, are carrying on extensive development campaigns of diamond drilling. The outlook for this area is most hopeful, and the next few years will no doubt witness remarkable expansion and increased production.

LEBEL LODE WILL HURRY ITS SHAFT

Getting Ready Now to Drive Ahead With Power— Has Ample Funds

After sinking the main shaft more than thirty feet by hand on Lebel Lode, in Lebel Township, Kirkland Lake, timbering has been completed and the shaft closed in for the time being, according to W. J. Post, president. Post president.

This is a main and central three compartment shaft, and is designed upon the same plans and size as the main shaft of Lake Shore Mines, which is handling 700 tons daily to their mill.

Excavation and forms for cement are being placed this week for foundation and other purposes. Considerable cement, lumber and timber is already on the ground. Building and other installation is being speeded up so that sinking will be resumed under power with as little delay as possible.

Finances have been arranged for an extensive development program, following a systematic exploration of surface by trenching and test shafts along veins, as well as 3,500 feet of diamond drilling completed last January.

Officials are satisfied that development upon their No. 3, or main vein, will demonstrate a considerable tonnage of good commercial grade. Drilling has indicated values in this fracture area over a width of 40 feet at just around 225 feet from surface.

VISITED B. C. MINES

Sherwin F. Kelly, formerly of Toronto Varsity Mines school staff, and associated with the introduction of the Schlumberger electrical prospecting method into Canada, is now making his headquarters in New York. He recently visited British Columbia.

OIL COMPANY MEETING

Western Cons. Oils, operating in the Winnipeg oil fields, will hold its annual meeting in Edmonton Nov. 28.

SINKING STARTED ON FISHER QUEBEC

Company Has Interesting Looking Gold Group Along C.N.R. Line

Fisher Quebec mines has recently installed a first class mining plant capable of going to 1,000 ft. on its holdings at Fisher on the Transcontinental Rly., Quebec, east of Amos. The new plant with buildings etc., cost $35,000 to $40,000. These were all completed Nov. 1 when sinking began, until development has progressed it is impossible to say what results will be.

Fisher Quebec came in for some unfavorable publicity because of brokers activity in the shares. However, this was something that was beyond control of the company. The officers were powerless to change things so long as payments were made promptly and this has been done. The company's consulting engineer Frank C. Loring has not been slow to nip any absurd statements in the bud.

The company has two groups 500 and 700 acres, about a mile apart, and situated on two independent shear zones.

On the 700 acre block, adjacent to the railway and mainly north of it, the main effort to date has been expended. The shear zone is in basalt the country rock of the area and is 150 to 200 ft. wide, with east and west strike.

In this zone are situated all of the veins which give mining importance to this ground. There are several of these veins having a width of from 2 ft. to 20 ft. They are quartz, and also carry copper and iron sulphides. Any part of this zone may contain veins. For this reason, underground development must embrace the exploring of this zone to its fullest width and for its entire length—a distance of more than a mile. Owing to the great extent of the overburden, surface exploring has consisted in a number of trenches and open cuts to bed rock, and shooting into this bed rock, where considered advisable. Owing to the great amount of surface water contained in the ground, this trenching has been most difficult, the trenches filling in with mud nearly as rapidly as excavated. After trenching ceased, they rapidly filled with mud and soil; consequently, the exposures of rock and veins therein are soon obliterated. This work is necessarily disconnected, and there is no positive evidence as to the condition and quality of the veins in the unexplored ground between these trenches. For these reasons, there can be no connected and systematic evidence of the width and extent of ore bodies encountered. There is, however, sufficient evidence to conclude that there are extensive and consistent bodies of ore existing within this shear zone. This is also supported by the information secured by diamond drilling. Seven drill holes were bored, exploring this zone to an extreme depth of 250 ft., proving that the veins continue equally strong to and beyond this depth.

A vertical two-compartment shaft is now being sunk. It was started at the outcrop of a 12-ft. quartz vein.

There are many other interesting features about the property, but the main attention will be given to underground exploration.

MINING STOCK QUOTATIONS

Week Ending November 22

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Nov. 22	Sales for wk.	Range 1926		Range 1927	
								High	Low	High	Low
Abana	1	....	....	3.05	2.75	2.75	12200	....	....	4.05	.20
Aconda	1	....	....	45	32	38½	911425	....	....	45	14½
Afton	1	....	....	1.22	1.20	1.22	900	....	....	1.22	1.00
Algonquin	1	....	....	4¼	3	4	183200	6¼	1½	5¼	2
Allied M.	.	....	....	....	....	....	....	....	....	5.51	2.70
Amal. Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amity C.	.	....	....	50	38½	47	511650	....	....	50	24½
Amcs	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	5.55	4.85	5.10	139906	2.98	.90	7.10	.85
Apex	1	....	....	5½	4	4½	80200	6	2¼	5½	1
Area	1	....	....	.63	.39	.47	322260	1.55	.21	1.95	.23
Argo. Con.	1	....	....	47	38	39½	293350	76	18½	59	25
Archean	.	....	....	....	....	....	....	....	....	18	17
Atlas	1	....	....	6	3½	5	153400	5	1⅛	7	2
Bedford	.	....	....	49	31	38	470100	....	....	49	19
Baldwin	1	....	....	5	3	4	283850	6¾	1	5½	1
Bard	.	....	....	....	....	....	....	....	....	1.59	.25
Barry Holl.	1	....	....	1.50	1.11	1.33	966080	1.00	.21	1.50	.25
Beaver	1	....	....	2.75	2.12	2.19	154300	.99	.51	2.75	59½
Bellellen L.	1	....	....	....	....	....	....	....	....	23¼	3
Bidgood	1	....	....	1.80	1.15	1.61	1,515,682	9¾	4½	1.80	.5
Boischatel	None	....	....	9½	4	7	423200	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Brit. Unit	.	....	....	....	....	....	....	....	....	....	....
Buckingham	1	....	....	8¼	6	8	265650	7¾	2	9½	3
Bunker Hill	10	....	....	....	....	....	....	....	....	160	75½
Can. Lorrain	1	....	....	24	20	24	26300	93	57	72	10
Capitol S.	1	....	....	22	20	20	21400	48½	24	34	14
Capitol R.	.	....	....	13	11½	12¼	76400	43	26	54¼	10
Castle Tre.	1	....	....	.88	.84	.87	27400	1.85	.91	1.27	.61
Cen. Manitoba	1	....	....	1.89	1.70	1.76	71495	....	....	2.10	1.07
Chaput H.	1	....	....	14	11	14	104250	22	3⅛	15	4⅛
Clifton	1	....	....	2½	2	2	4000	6½	1	3¼	½
Coast Copper	5	....	....	17.00	14.00	17.00	1260	....	....	22.00	9.75
Col. Kirk	1	....	....	10	7	9	542400	6½	2	16	1½
Comm. Mines	None	....	....	....	....	....	....	....	....	1.50	.71
Coniagas	5	....	....	4.60	4.25	4.25	540	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	5.75	5.10	5.65	1230	4.60	3.00	5.75	2.80
Cons. Smelter	25	10+5	5.89	256	246	252	2320	265	177½	270	215
C. W. Dome	1	....	....	....	....	....	....	29½	14	19	4
Copper Hill	1	....	....	56	54½	56	17000	....	....	68	49
Corona	1	....	....	16½	13½	14	159400	37½	20	37	10
Crown Res.	.	....	....	80	50	73	502175	....	....	80	39
C. American	.	....	....	....	....	....	....	....	....	1.30	1.26
Davidson	1	....	....	3	3	3	9000	3	1½	3	1
Destor	1	....	....	....	....	....	....	41	40	43	25
Dome Mines	None	$1	8.00	12.90	10.75	12.50	41308	20.00	8.00	12.90	6.85
Dom. Lead	.	....	....	....	....	....	....	....	....	1.73	1.05
Dom. Kirk	1	....	....	10½	9	10	75600	....	....	12	1½
Don. Rouyn	1	....	....	22⅛	20	21	34800	61	25	56½	17½
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dubec	.	....	....	.58	.40	.55	13850	....	....	1.48	.35
Dunwell	1	....	....	....	....	....	....	....	....	1.51	1.50
Duprat	1	....	....	13¼	12	13	109800	....	....	21	10
Dupuy	1	....	....	59	55	55	5500	....	....	79½	9
East. Metal	1	....	....	....	....	....	....	....	....	18.25	10.00
East. Que	.	....	....	....	....	....	....	....	....	2.75	2.00
Everett	1	....	....	4¼	3	3	72600	12½	3¼	5½	1½
Federal Kirk.	1	....	....	72	59	71	123000	....	....	72	40
Fiske	1	....	....	11	10	10	5250	....	....	30½	5
Fisher, Que	1	....	....	....	....	....	....	....	....	2.20	.50
Gifford	1	....	....	....	....	....	....	....	....	1¼	½
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Goldale	1	....	....	51½	40¼	48½	286530	43	24	51¼	20
Gold Hill	1	....	....	35	29	33¼	195237	73½	25	54	22
Gold Ore	.	....	....	....	....	....	....	....	....	2.45	.50
Gold Reef	1	....	....	....	....	....	....	5	1	2½	½
Granada Rouyn	.	....	....	29	21	27	544075	....	....	29	14½
Grover Daley	1	....	....	17¼	14¼	16¼	159950	32	18	37	8
Harvie Exp.	.	....	....	1.10	1.00	1.00	9315	....	....	2.40	1.00
Hillcrest, c.	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	7.77	....	....	....	....	83	79½	90	81½
Hilltop	1	....	....	24	20	22	126900	31½	20	25	6½
Hollinger	5	26	7.42	17.60	17.25	17.50	10946	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	1.70	1.45	1.47	518465	....	....	1.78	.42
Indian	1	....	....	7	6	6	6500	14½	2¼	12	4
Int. Nickel	$25	$2	2.98	68¼	66	67	22226	46	32½	75	38
Jackson M.	1	....	....	84¼	79½	82	221125	....	....	85	36
Jay Copper	.	....	....	....	....	....	....	1.10	.73	1.26	.30
Kamisko	.	....	....	....	....	....	....	....	....	10.75	7.26
Kamiskotia R.	.	....	....	....	....	....	....	....	....	10.80	10.20
Keeley	1	16	18.00	.91	.81	.89	24100	1.91	1.39	1.66	.70
Keora M.	1	....	....	8	5¼	7	60300	22	11	13½	2
Kirk. G.B.	1	....	....	....	....	....	....	....	....	1.29	.75
Kirk. Hunt.	1	....	....	35½	28	33	567450	34	8½	35	10
Kirk. Lake	1	....	....	3.00	2.56	2.59	473957	1.44	.69	3.06	.82
Koot. Florence	20c	....	....	26	22	26	56800	....	....	27	22
Lebel Oro	1	....	....	66	46½	56	150650	....	....	66	30
La Rose	1	....	....	6	5½	5½	6500	39	4	12	3
Lake Shore	1	40+10	1.82	27.75	26.75	27.40	9805	16.50	9.50	28.20	15.40
Lakeside L.	1	....	....	....	....	....	....	10	1⅛	6	½
Laurier	None	....	....	....	....	....	....	....	....	65	51
Laval	1	....	....	37	32½	35	222360	45¼	21	59	19½
Lorrain C.	1	....	....	....	....	....	....	15	2	3¼	1
Lorrain T. L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Macassa	1	....	....	67	48¼	57	219203	43	22	69	18
Malartic	.	....	....	50	43½	50	274010	....	....	52	23½
Marclay	1	....	....	....	....	....	....	35	20	42	34½
Marriott	1	....	....	41	39½	41	3800	....	....	45	35
McDougall	1	....	....	62	50	52¼	184500	....	....	90	24
McKinley	1	....	....	19	17	18	55640	26	8½	25½	11
McIntyre	5	20	3.54	28.40	27.80	28.20	7785	29.75	22.70	29.00	24.00
Mentor	10	....	....	14.00	13.80	13.30	500	....	....	14.00	12.00
Millcrest	1	....	....	11	6¼	11	165000	21½	3½	14	2
Mining Corp.	5	25c Int.	....	4.95	4.00	4.40	144195	4.45	2.60	5.05	2.90
Moneta	1	....	....	10	10	10	5000	18	11	15½	8¼
Montreal R.	1	....	....	16	12	15	9550	60	13	33	10
M'tchatel	1	....	....	....	....	....	....	....	....	43	19
Newbec	1	....	....	.85	.70	.72	187250	....	....	1.20	.67
Newray	1	....	....	....	....	....	....	45	31	50	28
Night Hawk	1	....	....	6	4½	5	42500	17	3¼	10½	4
Nipissing	5	6	4.49	6.95	6.65	6.67	7170	9.25	4.95	10.30	5.25
Noranda	None	....	....	26.9	25.00	25.75	38350	24.75	12.00	28.50	19.95
Ophir	1	....	....	2½	2	2	23800	4¼	½	4⅜	¼
Osisko	.	....	....	.60	.40	.52	41800	1.94	1.05	1.75	.35
Pawnee Kirk	1	....	....	59	54	58	30100	....	....	72	54
P. L. Cobalt	1	....	....	5	4	4½	4000	32	14½	18	2
Porc. Crown	1	....	....	8	6	7	42605	12	4	11	3
Pioneer	1	....	....	.74	.45	.66	120800	1.22	.66	1.18	.45
Potter Doal	None	....	....	29	20½	27	734350	....	....	65	10½
Power & Mines	None	....	....	....	....	....	....	....	....	1.70	.75
Premier Gold	1	32	13.06	2.45	2.33	2.45	10190	2.75	1.83	2.50	1.86
Preston	1	....	....	5	4⅞	5	16000	9⅞	4	7	3
Realty & Mines	.	....	....	25	22½	25	40060	....	....	38	22½
Ribago	1	....	....	34½	31	33½	198900	....	....	87	13
Rouyn	1	....	....	3¼	3½	3½	3500	9	1⅞	5	1
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	1.15
Rouyn, Que.	1	....	....	2	2	2	500	4½	1¼	4⅛	1
Rubec	1	....	....	1.25	1.00	1.20	35270	....	....	3.65	.98
Rouyn Gold	.	....	....	3¼	3	3¼	4000	....	....	4	3
San Antonio	.	....	....	44	39	43	257862	....	....	46	30
Siscoe	1	....	....	....	....	....	....	....	....	60	12
South Keora	1	....	....	....	....	....	....	35½	5	64½	4½
Stadacona	None	....	....	20	18	18½	188650	51	40	55	13
St. Anthony	1	....	....	45½	45	45	2800	....	....	50	16
Sud. Basin	1	....	....	7.75	6.00	7.50	41750	....	....	7.75	4.00
Sylvanite	1	....	....	4.75	4.25	4.50	23900	....	....	4.80	2.60
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	.72
Silver Leaf	.	....	....	1¼	1¼	1¼	1000	....	....	1¼	1
Simard Un.	.	....	....	....	....	....	....	....	....	1.18	.90
Teck Hughes	1	10c	.85	12.00	10.80	11.70	183406	5.55	2.64	12.00	5.37
Thomp. Krist	1	....	....	....	....	....	....	3½	1	2	½
Tough Oakes	1	....	....	82	61	74½	1,308,850	66	36	82	25
Towagmac	1	....	....	4.51	3.83	3.90	13318	6.10	3.15	5.75	2.80
Timiskaming	1	....	....	9½	9½	9½	2000	15¼	6	10	4
Treadwell Y.	1	....	....	22.25	19.00	22.00	7400	....	....	26.75	18.50
United Cop.	.	....	....	....	....	....	....	....	....	5.32	3.00
Thompson Cad'c	.	....	....	38	38	38	100	....	....	38	38
Vic. Silver	1	....	....	....	....	....	....	96	3¼	14	1½
Vickers	1	....	....	.65	.60	.65	2500	1.22	.13	1.52	.25
Vipond	1	....	....	1.13	.70	.91	281028	2.02	1.49	1.75	.47
Wakenda	1	....	....	16	11	13	111700	3¼	1	16	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West D. Lake	1	....	....	18	15½	16	170200	....	....	20	8
West Tree	1	....	....	....	....	....	....	....	....	4½	1
Wettlaufer	1	....	....	....	....	....	....	10	2	4¼	1½
Wiltsey C.	1	....	....	73½	70	73	24750	....	....	74	50
Wright Har.	None	20 c.	2.74	7.80	7.12	7.30	107275	....	....	8.85	5.50
Ajax Oil	1	....	....	68	55	55	24700	....	....	70	6½
Petrol Oil	.	....	....	20	17	17	11300	....	....	0	7
Trojan Oil	.	....	....	....	....	....	....	....	....	8.60	4.00
Vac. Gas	1	....	....	17	13½	14½	43900	....	....	26	3

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Another Large Mining Operation is Launched for Northern Manitoba

Callinan Flin Flon Takes in Claims Surrounding Flin Flon and Baker Patton Group

Another large operation is being launched in Northern Manitoba, Callinan, Flin Flon, which owns 57 claims surrounding the big Flin Flon and also the Baker Patton group. Diamond drilling and sinking of a number of prospecting shafts is the exploration program decided on.

Flin Flon's ore body has a strike of 38 degrees west of north and the Callinan Co. plans to explore their ground adjoining to pick up the extension of this body to the west. It has the area to the west and two miles to the north. It is also intended to do some drilling in the lake. Geological conditions are said to be the same as on Flin Flon.

The bottom of Flin Flon Lake will be drilled on the strike of the Flin Flon ore body, and on the Sky Pilot claim to the north. This work will be done while the ice is on the lake.

The Baker Patton group of six claims, which the company acquired, have been electrical surveyed and in addition, five diamond drill holes were put down, four of which holes showed ore. One hole gave 1½ per cent. copper over a width of 118 feet. Hole No. 7 cut two sections of ore, one 20 feet wide and one 17 feet wide of 3½ to four per cent. copper.

None of the holes were deep, as the ore was cut in each instance at about 150 feet.

A complete plant will be sent in at once to the Baker Patton property where two shafts will be sunk, it being the intention to advance development as quickly as possible.

For the present a steam plant will be installed and a contract for 2,000 cords of wood will be placed immediately. A compressor capable of driving five drills will be installed.

The power development at Mud Falls will be available in a year and the contractors agree to have the railway to Flin Flon by next November.

The surface showings on the Baker Patton are among the best in this district, including some very high-grade ore. The oxidized mineralization on the surface is the largest in the district, being trenched for 300 feet in places. Camps to accommodate 50 men are built and as soon as machinery arrives work will commence. Sufficient supplies for the year will be taken in. Mr. Callinan announces that other properties with good showings are also being negotiated for.

Work will be under the supervision of Jack Callinan, who has been identified with the district since the discovery of Flin Flon in 1915.

The ore on the Baker Patton is also a zinc-free ore with no metallurgical complications.

CLOSING DEAL FOR RAIL AND POWER MEANS BIG EXPENDITURE

(Continued from page 17)

veloping 250,000 h.p., whereas Island Falls is restricted to 100,000 h.p. It seems that the present Flin Flon development will require 100,000 h.p. and, therefore, there would not be sufficient power if the Sherritt-Gordon properties were brought in also. On the other hand, White Mud will give a large surplus to be used by other mines and, also, by a paper plant to be located in the Nelson river territory. Hon. Charles Stewart, Minister of the Interior, has laid down certain conditions to the leasing of White Mud, which the Whitneys have accepted. The lease is to be taken up by a separate company to be organized by the Whitneys. It will run for 50 years, at the end of which time the Federal Government may take over the plant. All rates for electricity are to be subject to the control of the public utilities commission of Manitoba, and, moreover, the Manitoba Government is to have the right to take over the plant at any time, subject of course to paying a fair price for the property. Control of rates is to extend to the power which the power company will furnish to Flin Flon.

No Royalty For 20 Years

In regard to the mine, the demand of the Whitneys that they be exempted from paying royalties for 20 years has been conceded by the Federal and the Manitoba Governments. However, three-quarters of the ore body is within the Province of Soskatchewan, although the mine shaft will be in Manitoba, and the assent of Premier Gardiner of Saskatchewan to the exemption clause must be obtained. The Federal Government is now taking this up with Mr. Gardiner and it is not anticipated that he will make any trouble about it.

Negotiations between the Whitneys and N. A. Timmins, acting on behalf of the Sherritt-Gordon owners, are continuing and it is now stated, authoritatively, that a common development is assured.

As the Flin Flon proposition now stands, the following capital outlays may be regarded as certain:

Construction of smelter capable of handling 3,000 tons of ore per day, and other mine developments	$13,000,000
Development of White Mud Falls, 250,000 horse power, and transmission line to mine	7,000,000
Construction 85 miles railway	3,500,000
Development of Sherritt-Gordon properties ...	10,000,000
Total	$33,500,000

In addition, there are a score or more of mining properties in the area which will be traversed by the transmission line which are now held back because of lack of power and rail transportation. Counting in these developments, at a conservative estimate, the total value of the whole investment to be made in Northern Manitoba will run well over $50,000,000.

HEAVY MARGINAL TRADING A DANGER IF BREAK OCCURS

Tremendous Volume of Business in Mining Stocks Continues a Feature

The hectic sessions of the mining exchange continue unabated. Transactions are reaching new totals almost daily. Price advances have in a few cases been spectacular. Where such has been the case they are attributed to over-zealous brokers. In some cases it is believed that a desire to trap "shorts" have led to the pushing of stocks to a point where they were selling out of line, but corrective reactions have fairly well adjusted the situation.

There seems to be a tremendous amount of new money coming into the market. Transactions are running up around two and a half million to three million daily in shares selling over one dollar. A tremendous proportion of this must be on marginal account, otherwise it is hard to tell where prices would go to. On the other hand, were it not for the margin trading the volume of sales daily would shrink to 50 per cent. or less. It is the fact that so much marginal trading is going on and the suspicion that only a portion of the stock is being actually purchased, that leads many to conclude that there is a material short interest in the market.

There is a danger here that the public should not overlook. As trading continues to mount, the shorts are going to lose no opportunity to raid prices on any sign of weakness. Another fact is that the greater the volume of marginal trading, the weaker becomes what many are pleased to call the technical position of the market. In other words, the stocks are going into weak hands and any sizeable reaction is bound to bring heavy demands for additional margin and this in turn will undoubtedly result in forcing heavy selling. This would be meat to the margin houses with their books loaded up and only a portion of the high priced stocks purchased.

There does not seem to be any sign of a break. The market has had some reactions, which are the natural order of things when the market has had such a prolonged upward movement. However, recoveries have come as fast as the reactions and the flood of good news will keep the public buying so long as the market continues to hold.

There is little wildcatting. The majority of the shares enjoying popularity are in ventures of merit. Howey and Bidgood have been the two leaders. Barry-Hollinger during the week jumped into the limelight again and promises to stay there for a time at least. Some new Kirkland stocks are coming to the front. Quebec stocks have been off color but there are many who look to see Amulet come back with a bang and switch a portion of the interest back to the copper issues.

Quite a number of unlisted issues have been claiming attention. Sherritt-Gordon in Northern Manitoba has been in heavy demand with sizable blocks changing hands around $5. Brett-Trethewey Mines, operating a new section about 15 miles from Kirkland Lake, offered 400,000 shares privately at 25 cents and the subscriptions totaled 1,000,000 shares.

WIDE AREA DOMINION HAS WITNESSED MINING DEVELOPMENT LATELY

(Continued from page 17)

give to the Errington mine of the Treadwell-Yukon Co. in the Sudbury Basin. Here is a development of the last year that staggers all mining expectation. Certain it is that this discovery is one of the most important mineral finds of the last hundred years on this continent. Estimates that reach one billion dollars are made as to the value of the ore indicated. At the same time tremendous bodies have been found at depth in properties of the International Nickel and the Mond Nickel, which are not secondary to the Bunker-Hill discovery. These discoveries will go far in making Canada a strong factor in the world's base metal supplies, including as they do, copper, nickel, lead and zinc.

Bidgood in East Kirkland — The bringing in of a large ore body at Bidgood Consolidated Mines, east of the main camp at Kirkland, has opened up tremendous possibilities for mines in this area. "Bidgood" is an old mine that "came back" with a new effort, cutting into ore that paralleled the old workings.

Kirkland Lake Gold — The recent cutting of ore at the 2,650-foot level of this property—said to be the richest ore so far found — establishes a greater depth for Kirkland and appears to place this mine definitely among the important producers of this wonderful camp. As the ore goes down it is getting wider and richer.

Two new producers — Sylvanite of Kirkland and Ankerite of Porcupine during the year came to the front as important gold producers. Both these operations are in excellent hands and seem to give promise of big things.

Barry Hollinger Find—Most important to a mineral area of many score square miles was the striking of a rich and wide ore body at the 1 000-foot level at Barry Hollinger, and the development of ore at other levels by aggressive mining. The Barry find has had the effect of bringing many new companies into the field.

Noranda in Quebec — The bellweather of the Quebec flock will be into production before the first of the year. This is the climax of a big copper-gold development that has drawn world attention to the north. In the next year many other Quebec properties will be steadied down and either producing for the Noranda commercial smelter or developing their mines underground. Amulet's discovery of high grade ore in drilling and the development of Abana mine, dealt with elsewhere, are important developments of the year.

Finally, every mining locality in the north is stirring with activity. To the north of the "main break" at Kirkland much money is being spent on sound development. In the Porcupine area the Kamiskotia field is being developed by Hollinger and may be a whopping copper camp. Never has so much money and effort being intelligently expended. These facts only apply to the central portion of Canada. British Columbia, Maritimes and Newfoundland are also booming.

The other day we met a publisher from Western Ontario. He had passed through one of the large mining brokerage offices, where a hundred men or more were watching the board.

"What absolute folly!" he said. "They will lose all they own."

He, like thousands of other Canadians, does not understand what is behind the market movements of Canadian mining stocks. Money is being made by people who use discretion and study development because the north is coming through with the absolute golden goods.

WALLACE J. LAUT.

Probable Ore Value of Six Mines is $2,081,000,000

There are still those who are skeptical about the future of the mining industry. For their benefit, one might list a few of the big important mineral bodies with their estimated value, practically all of which have come to the front in the last few years.

Peruse the following list, keeping in mind the fact that only a small section of the country has been prospected. They make a person lean more heavily toward Dr. Corless' "unlimited wealth" views, for which he was severely criticized a year or so ago.

Mine	Possible value of ore content	Kind of mineral
Sullivan, B.C.	$650,000,000	Lead, zinc, copper.
Flin Flon, Man.	268,000,000	Copper, zinc, gold.
Sherritt Gordon, Man.	200,000,000	Copper, zinc, gold.
Frood, Ont.	500,000,000	Copper, nickel, platinum.
Creighton, Ont.	225,000,000	Nickel, copper.
Errington	100,000,000	Lead, zinc, copper.
Buchans, Nfld.	138,000 000	Lead, zinc, copper.

Some of these estimates are admittedly low. Some only allow for a small part of the property. The total of $2,081,000,000 from six large properties is fabulous. It tells only part of the story of the country. This is going to mean new money that will mean millions spent on power development, railway extension, mine equipment, supplies, wages and then dividends.

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The following are some recent orders for Marcy Open-End Rod Mills in Canada:
Primary grinding in the new Teck-Hughes milling plant will be done by a 4 x 10 Marcy Rod Mill.
A 4 x 8 foot Marcy Rod Mill will grind to 10 mesh for Concentration upon Wilfley Tables in the new Canadian-Lorrain plant.
The Sylvanite Gold Mines, Limited, have purchased a 5 x 10 Marcy Rod Mill for grinding ahead of tube mills.
Hollinger Consolidated Gold Mines have added three 7 x 15 foot mills, thus bringing their total of Marcy Rod Mills up to eight.
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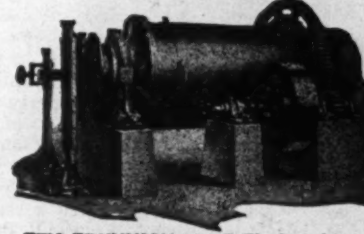
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In Terms of Steel and Concrete

ANYONE assailed by misgivings as regards the future of the Rouyn copper fields should take a few days' vacation and look over the Noranda smelter. As a doubt dispeller—a sure cure for the "blues" the huge plant nearing completion has no equal.
From the big shaft-head right through the crushers and the smelter itself, one cannot but be impressed by the air of permanency everywhere. The foundations go right down into bed rock, and the buildings, composed largely of steel and concrete, are no less solid and lasting than the foundations.
The Noranda plant, rivalling in extent the largest of our large factories, has evidently been designed and built to last for a long time. No expense has been spared to make it as modern and as self-contained as it is possible to be.
Crowning the whole, is the huge smoke stack, a signpost visible for miles around and an inspiration to every operator in the field.
Thus in terms of steel and concrete has Noranda given an ineradicable testimonial of faith in the future of Rouyn, for the plant while primarily built to recover the gold and copper values from the Horne deposits, must also depend on other mines throughout the district for the feed to keep it going, perhaps long after the ore on the Horne has been exhausted.
Thus, if your faith in Rouyn be small, if you find your confidence wavering in the face of every rumor that blows, bear in mind the millions of dollars which the Noranda smelter represents, millions spent not in the heat of boom enthusiasm, but coolly, calculatingly, after a dispassionate survey of the field's possibilities.
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Gibson's Fortnightly Mining Review

A Partnership in Many Prospects

IT IS only of quite recent years that public attention has turned to that great treasure house of Northern Ontario and Quebec. Twenty-two years ago Cobalt had just come into existence, yet in these intervening years the Cobalt camp has paid into the pockets of those who had faith in it a hundred million dollars in dividends.

Some years later came the Porcupine camp. In a virgin forest, many miles from the nearest railroad, an impossible proposition it seemed. Then, in 1912, the Kirkland Lake camp. Together, these two camps have paid to their shareholders about seventy million dollars.

Many well-known authorities have stated, that these great camps, and other less known locations, have only touched the outer fringes of their possibilities. New prospects that are born to-day, may well be the great mines of to-morrow, from which other people will draw other millions.

The Inverness Mines, Limited, is not a mining company. It is not asking the public interest in any one mine. It is rather a holding company, and, at the same time, its activities are devoted to exploring for new and promising properties, and developing these properties, so as to give a fair indication of their value. It does not attempt to make these properties into producing mines, but sells to big operators, while retaining an interest in the venture. It is by this means that the average investor is given the largest possibility of participating in some highly profitable ventures.

Looking 18 feet down Kirkland Lake No. 1 shaft. Shaft now down 35 feet.

Approximately 10,000 feet of such trenching and stripping as shown on the right has been done on the Kirkland Lake property.

These Splendid Properties Offer a Wide Opportunity

THE properties at present owned by the company give a large promise of developing into producing mines. Their location and general characteristics is the equal of any of the undeveloped properties of the present, and some of these undeveloped properties are going to repeat the romantic history of these great camps. The properties are as follows:

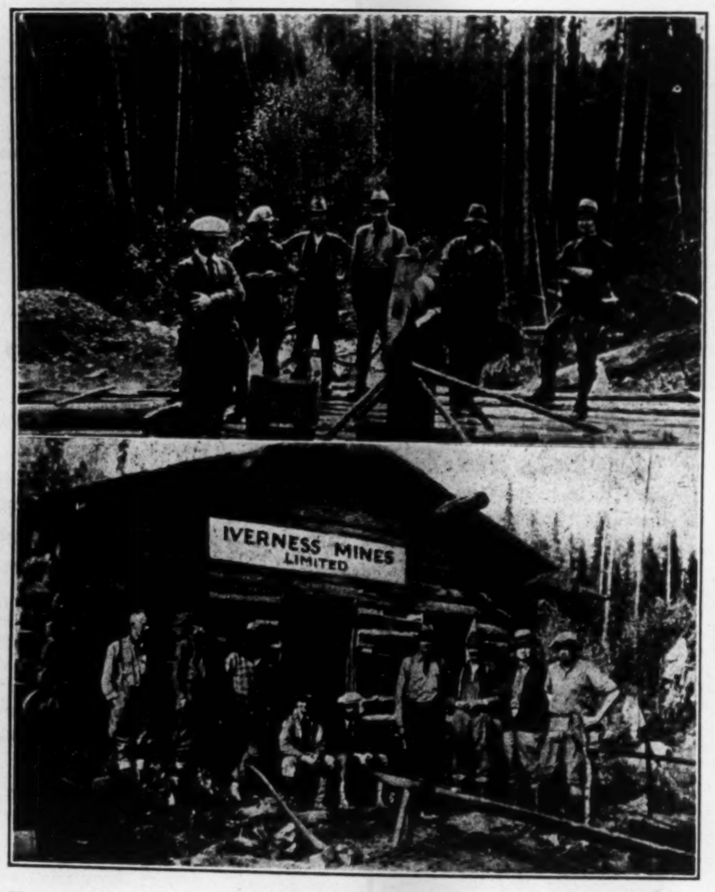
No. 1 consists of 240 acres in the Township of Teck, Kirkland Lake district, on the north break. Surface development has been under way for some time, and over 10,000 feet of trenching and stripping has been completed, disclosing two very important veins, running about five and a half and nine feet respectively. The former has been traced for over half a mile. A shaft has been sunk for some thirty-five feet, and the general geological and mineral conditions are most encouraging. Assays made on four samples taken from the shaft are as follows: $11.48, $2.46, $6.56 and $0.20. Adequate buildings are on the property, and a road has just been completed, connecting with the Kirkland Lake highway.

No. 2 consists of 160 acres in Denton Township, Porcupine District. Considerable surface work has been completed, and a shaft sunk for 35 feet shows very favorable indications.

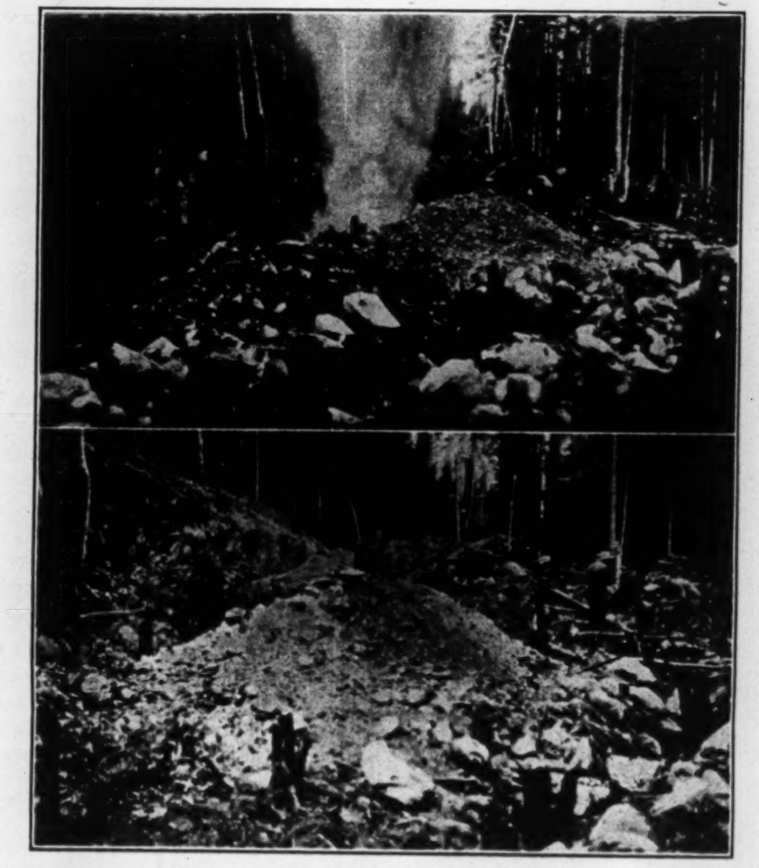
No. 3. This property is in the West Shining Tree area, adjoining the most important group known as Wood, Atlas, White Rock, Wasapika, etc. The property is shot with veins, many of them showing free gold. Lack of transport facilities have delayed development on this important property, but the Government is completing a motor road and power line, that passes within half a mile, which will facilitate this work.

No. 4 consists of 720 acres in the Woman Lake area. It has been turned over to a syndicate, who are developing the property, and values across widths of 18 and 21 feet have yielded assays of $3.20 and $36.00 respectively. Inverness Mines, Limited, retain a 10% interest in this property.

No. 5. This property is the second group south and west of the famous Kozack property (Timmins option) in the Goudreau district, and was staked this summer, therefore little work has been done on it to date. It is likely that thorough prospecting of this property will be carried on here next spring.



Upper picture shows top of shaft of Porcupine. Below is camp capable of accommodating 25 men.



Two views showing the development work in preparation for the shaft at the No. 1 property of the company in the Kirkland Lake district. It will be noticed that the camera clicked just in time to take the blast.

Canada's Place in the Mining World

TO-DAY, Canada stands third among the gold producing countries of the world, surpassed only by South Africa and the United States. There is every reason to believe that a year or two will see her in second place. In the past thirty years she has produced over a billion dollars in minerals, represented by 570 million for nickel, 230 million in silver and 203 million in gold. In that time Sudbury has paid in dividends 100 million, Cobalt 100 million, Porcupine and Kirkland Lake 50 million, and that is only a beginning.

The Record of the Kirkland Lake Camp

PRODUCTION		DIVIDENDS	
1913......	$ 65,260		
1914......	$ 114,154		
1915......	$ 551,069		
1916......	$ 702,761		
1917......	$ 404,346		
1918......	$ 632,007	1918......	$ 100,000
1919......	$ 486,809	1919......	$ 100,000
1920......	$ 1,033,478	1920......	$ 80,000
1921......	$ 1,524,851	1921......	$ 120,000
1922......	$ 2,159,231	1922......	$ 492,500
1923......	$ 2,647,630	1923......	$ 366,250
1924......	$ 3,446,632	1924......	$ 586,250
1925......	$ 5,386,618	1925......	$ 1,150,000
1926......	$* 163,962	1926......	$ 3,888,650

What the Porcupine Camp Has Produced

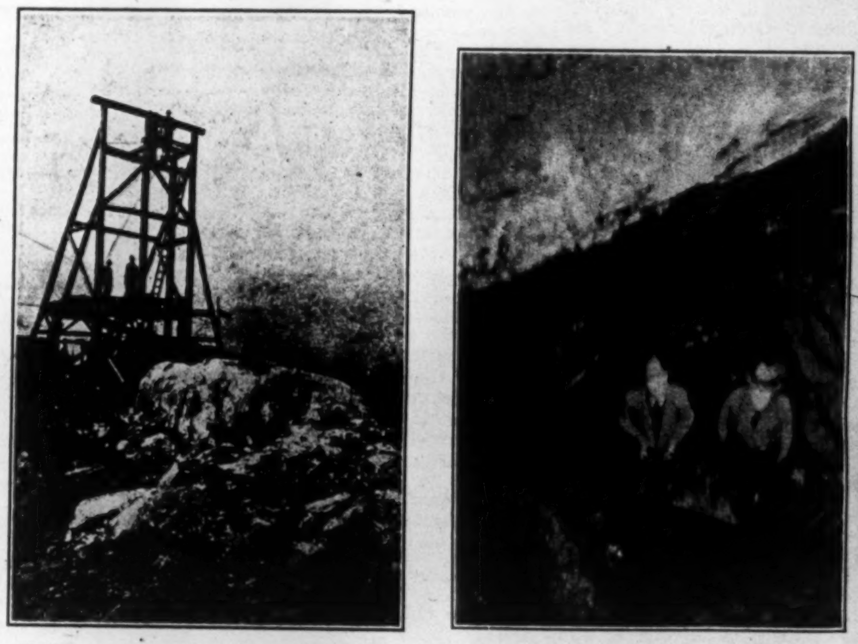
1912......	$ 1,730,628	1912......	$ 270,000
1913......	$ 4,294,113	1913......	$ 1,170,000
1914......	$ 5,190,794	1914......	$ 1,410,000
1915......	$ 7,536,275	1915......	$ 2,360,000
1916......	$ 9,397,536	1916......	$ 4,166,000
1917......	$ 8,229,744	1917......	$ 1,699,542
1918......	$ 7,767,907	1918......	$ 1,773,042
1919......	$ 9,941,804	1919......	$ 2,186,028
1920......	$10,597,573	1920......	$ 3,198,375
1921......	$13,095,630	1921......	$ 4,220,709
1922......	$18,505.134	1922......	$ 5,154,866
1923......	$17,313,115	1923......	$
1924......	$22,135,534	1924......	$
1925......	$24,733,111	1925......	$
1926......	$ 582,195		

Offering an Interest in Many Promising Ventures

IT is to be borne in mind that an investment in Inverness Mines, Limited, is not an investment in a single property. But each share is a share in every property owned by the company. It entitles the shareholder to participate, not only in the profits derived from the sale of the property, but in the interest that the company retains in each of these properties. There is no attempt to bring the properties beyond the early development stage. To make a property into a mine requires extensive capital for plant and equipment. This cost is borne by the purchasing company, and Inverness Mines is ready to negotiate at any time with mining interests who will take over these properties for development.

All the Great Mines Once Were Prospects

Even in the short lapse of years, people are prone to forget that much less than a quarter of a century ago all the great mines of the North that are almost household words to-day were in the prospect stage; prospects no brighter than some of these properties owned by Inverness Mines, Limited. Below is shown an early picture of the Hollinger when these mines that have made their tens of millions were a questionable venture. Inverness Mines, Limited, do not state or expect that all their properties will develop into paying mines. All they claim is, that with the splendid early showings there is every reason to believe that some of them will make a mine. The purchaser of Inverness Mines shares has the extra opportunity offered by properties in various camps. He shares in every one, and should only one of them prove profitable that one should show him a more than generous profit. Every property where the ore is not blocked out and its extent and value known is a prospect. It is such that each property of Inverness Mines is. Each is known to have ore and ore showing good values —the extent of that ore is not yet known but developments now underway and planned is to prove that extent and value. It is at this development stage that large profits—indeed fortunes—have been made in Northern Ontario mining.



Hollinger was once only a place for faith and hope. The illustration at left shows the first shaft of Hollinger when it was still in the prospect stage.

At right—Looking down the 35-ft. shaft on property No. 2 at Porcupine.

R. H. WATSON & COMPANY,
Mining Investors,
115 Sun Life Bldg., Toronto.

Gentlemen:

Please send me map of Northern Ontario mining areas and further information regarding Inverness Mines, Limited.

....

....

INVERNESS MINES
LIMITED

50 Sun Life Building — Toronto 2, Ont.

Mining Inquiries

Gull Kirkland

Has a speculator a chance at all in buying Gull Kirkland?

We dealt with Gull Kirkland in an enquiry published in our issue of Nov. 11, page 30, which see. It looks like a reasonable gamble.

Brit. Canadian

Can we get some information on British Canadian Mines?

British Canadian Mines are speculative. They are in the hands of people who have been making a serious attempt to find a mine.

Mining Corp.

Has Mining Corp. any good properties besides Flin Flon?

See front page of Mining Section last week. Mining Corp. looks good as a hold. It has a couple of good silver producers and another good prospect in addition to its Flin Flon interest.

Duprat

Have Duprat shares a chance at all?

Duprat is a gamble. The company has expended a good deal of money in trying to find ore but so far has been unsuccessful. We understand that they are looking for a new property. The treasury is in position to handle a new venture.

Silbert Cons.

Have you heard the fate of Silbert Cons. M. Co., an Ontario concern?

Index of Ontario Department of Mines lists this company as having obtained a charter in 1907. There was also mention of it in the 1908 report of the department but nothing since, so the conclusion is that it is dead.

Astoria

Astoria Rouyn Mines is strongly recommended. Has it a chance?

Astoria Rouyn is a Quebec venture that has a rather striking board of prominent business and public men. They are carrying on an aggressive exploratory effort and the venture looks like a speculation in which one would get a run for his money.

Noranda and Dividends

I have 50 Noranda at 26. Is an advance in price and dividend to be expected in the next year?

Noranda shares are quite attractive and well regarded. There has been a slight easing in price of late but this is expected to soon correct itself. Dividends in 1928 are possible but not probable.

Potter Doal

Has Potter Doal a reasonable chance for appreciation? How about Macassa?

Potter Doal is a gamble. The stock has been subject of a great many rumors and its market record leaves the impression that there has been much manipulation going on. The company is shaft sinking and may work out.

Macassa

How is Macassa as a gamble?

Macassa because of its location, adjoining Kirkland Lake Gold on the west is a good speculation for a hold. The company is in good hands. No work is going on at present. There have been rumors that Kirkland Lake Gold might purchase control but there is nothing official.

Four Speculations

I have Abana, Hilltop, Amulet and Laval. How are they looking?

In our issue of Nov. 11, page 32, you will find some remarks on the outlook for Boston Creek. Hilltop Mines, Abana and Amulet are dealt with in the same issue. Laval Quebec is quite speculative but is regarded by many as having profit making possibilities around present levels.

Harris Cons.

What are the chances of Harris Cons.? I am a poor man and can't afford to lose my savings.

Under the circumstances which you outline we don't think you should purchase Harris Consolidated Mine shares or that of any of the Mines for that matter. Better put your funds where you will have the greatest measure of safety.

Gull Kirkland

I am advised to buy Gull Kirkland at 50 cents. Can I get some information about it?

In our issue of the 18th you will see an article on Gull Kirkland which will give you a fair line on this operation. In view of the developments going on in this section (see front page of mining section, the same issue) the operation looks to have promise.

Astoria

Give me your views on Astoria as a two year hold.

Astoria Rouyn Mine shares are speculative. The operation is in good hands and a rather aggressive program of exploration is being carried out. If you can afford to lose your plan might be a good one because if the operation pans out well it should make you a lot of money.

Pioneer

Is Pioneer a good speculation?

Pioneer Mines look like an attractive speculation if you buy it and hold it. The company has three fine prospects. In Michipicoten it looks as if it has a mine. In Gaspe Peninsula it is doing an excellent pioneer work that that is shaping up well. In the Red Lake section it has an operation at Clearwater Lake that has given good results for work done.

Bidgood

What do you think of Bidgood's chances?

Bidgood looks to have the makings of a mine. Company has now good ore on the 300-ft. level and will soon start work to pick it up on the 400 and 600 ft. levels. It is reasonable to expect that they will get the downward extension of the ore on these levels and if this proves to be a fact it would make the property stand out big. See our issue of Nov. 11.

Three Good Stocks

I have never bought mining shares and am thinking of taking on some Noranda, Wright-Hargreaves and Amulet. What are the chances of these issues. They say that Timmins is behind Jackson Manion. Does this not make it attractive?

Your first suggestions are excellent and if you hold for some time you should make considerable money. Timmins dropped his option on Jackson Manion but we believe he took stock for the money expended on diamond drilling.

Bush Cons.

I have been approached to speculate in 1,000 shares of Bush Cons. What does it look like?

Bush Consolidated is a prospect. It has a very large holding in Portland Canal section of British Columbia, practically surrounding three proven mines, one of which is Premier. Bush the head of the company, owned the three properties that are now proven, including part of the Premier. He is diamond drilling the Bush and doing other surface work and, we are independently advised, is meeting with encouraging results.

Victory Gold

Have you any data on Victory Gold since the Survey of Mines was published?

Head office of Victory Gold Mines is located at King and Victoria Streets, Toronto. They say they are working on the Nova Scotia property. These old holdings might come back. The chances of mines in Nova Scotia operating under present gold mining methods are better than they were in the olden days. I have seen engineers reports on the Victory property and they picture a rather interesting situation. You might write the company, care of Sutherland and Partners, King St., Toronto.

Premier

Does Premier pay dividends? What do you think of it?

Premier Gold is controlled by the Guggenheims of New York and in the past six years has paid shareholders around $12,000,000 in dividends. It pays 32 cents per share per year and at the present market this gives a yield of about 15 per cent. The company recently acquired another group that looks quite attractive and it is believed that the company, strongly supported and financed and with a large technical staff, will be able to perpetuate itself. Portland Canal camp seems to have a great future.

Waite-Montgomery

I have a Waite Montgomery unit. What are they worth and what are the chances?

Prices of Waite-Montgomery units have been fluctuating between $600 and $800. There is little interest in them as the property is not in the limelight. A company Waite-Ackerman-Montgomery has been organized by Noranda to divide the interest but when the shares are to be distributed is not known. The property is one of distinct merit. Only a small portion of it has been explored and this revealed $11,000,000 in ore. Undoubtedly this body is more extensive and sooner or later further exploratory work will be taken up.

Three Ernhous Babies

I hold Bidgood, Hunton and Crown Reserve. Do you like their outlook? I must sell two—which will I hold?

Bidgood seems to have mine making possibilities. See page 30 of our issue of Nov. 11. Crown Reserve has excellent possibilities and should be held. We understand the operation is steadily improving. Hunton is the biggest gamble of the three. There has been a long consistent effort here to make a mine, and our understanding is that results of late have been very encouraging. Of the three we would suggest that you hold Bidgood as it would seem to have the greatest profit making possibilities. Practically all three ventures are under the direction of one man. Leo Ernhous, Haileybury. He stands well.

Teck-Hughes

I am holding McIntyre at $27, Wright-Hargreaves at $8.10 and Teck-Hughes at $10.80. Kindly give me your opinion of these shares.

The three mining stocks in which you have your speculative funds are excellent in their class and it is probable that over a term of months there will be a fairly substantial appreciation in value assuming that general market conditions are fairly good.

Sound industrial stocks have a somewhat greater attraction for the conservatively minded for the reason that the general stock market has not been subjected to such violent fluctuations as the mining market has been. We have no choice between the several stocks which were mentioned in an article in The Financial Post some weeks ago.

Howey Gold

Where is Howey? Who are those backing it? How are its chances?

We thought everyone knew about Howey. It is the pioneer discovery in Red Lake. It was diamond drilled by Dome Mines and a considerable amount of ore indicated. Dome tried for a new deal and failed to get it. Pres. Jack Hammell of Howey syndicate jumped in and launched his own development program under the best engineering and geological brains he could secure. During the last couple of weeks results have been sufficient to justify Mr. Hammell in stating that he has a large mine. He is now going to push ahead development and make plans for a mill. Some important announcements are pending. The leading shareholders of Howey are some of the best mining men in the country and the same with the board of directors.

Noranda

A friend has considerable Noranda. What do you think of it?

Noranda is looking awfully well. Many expect that by Christmas the shares will be selling around $30. The mine is looking very well and the big smelter is about ready to operate. In addition to the Horne property, Noranad has 65 per cent. interest in Aldermac property and 85 per cent. interest in the Waite Montgomery property. Both these have substantial ore reserves and prospects of opening out in a large way. It is possible that after the first flush of production that Noranda will sell off from the level established but ultimately it looks as if it will work out very profitably.

Noranda Mines

As a reader of your paper will you please let me know what is your opinion regarding Noranda Mines? I am holding 200 shares, which I bought at $25.20.

Noranda Mines are considered one of the most attractive properties in the northern Quebec mining field. Large bodies of valuable copper and gold ore have been located on the company's properties; extensive development work has been carried out and a 1,000 ton smelter has just been completed which will go into operation next month. The railway has been extended to the company's property and a contract has already been secured for the company's output of copper. Noranda Mines possess a very strong board of directors.

It is anticipated that the stock of this company will show a steady appreciation in value over a period of time and it is favored as a long hold proposition.

Keeley Produced 201,869 Ozs. Silver in 3 Months

During the three months ended Oct. 31st, Keeley Silver mine, South Lorrain, produced 201,869 ounces of silver and 23,627 pounds of cobalt. There were no new developments of importance during the period, says R. S. Deming.

Announcement

E. S. GORDON

Consultant on
Mines and Mining Stocks

Announces the removal of his offices to larger quarters at

802 Reford Bldg.

Corner Wellington and Bay Sts.

New Telephone Numbers: ADelaide 5365-6-7

We Specialize in Canadian Mining

STOBIE-FORLONG & Co

STOCKS BONDS GRAIN

Head Office: Reford Building
BAY AND WELLINGTON STS. TORONTO

MONTREAL
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Private Wire System

KITCHENER
OSHAWA
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JAY COPPER - GOLD MINES
LIMITED
(No Personal Liability)

We recommend the purchase of the Stock of this Company because:

The Shaft is down over 400 feet.

The Vein has been cut at 400 feet.

The grade of ore from Jay Copper is what makes SUCCESSFUL MINES.

This information is founded on fact. Actual work is the great proof.

Francis J. Hunter & Co., Limited
Mezzanine Floor — Mount Royal Hotel
MONTREAL, Que.

Canadian Makers for
THE MINE AND SMELTER SUPPLY CO.
Marcy Rod Mills, Marcy Ball Mills, Wilfley Pumps, Wilfley Concentrating Tables

WILLIAM HAMILTON LIMITED
Head Office: Peterborough, Ont.
VANCOUVER MONTREAL WINNIPEG

A New Organization for Selected Mining Issues

We desire to announce to our friends and the public that we have organized a company that will deal in stocks, bonds and mining shares of clean-cut merit. The personnel of our organization is as follows:

Robin Boyle— for many years identified with the stone industry and traffic services of Canada and latterly in association with C. B. Cronyn & Co. in mining development. Mr. Boyle was formerly a resident of Niagara Falls

Thomas Hart— associated with the hardware business for many years in Toronto, Niagara Falls and Oshawa. Mr. Hart has been interested financially in Northern mining development for some time, having lived in Cobalt in the early days.

Philip F. Boyle— for seventeen years with the Imperial Bank of Canada and for the last two years engaged in the sale of mining securities.

The initial offering of the Company will be shares in a lead and zinc property in the Thunder Bay district. Enquiries invited.

Our function is to provide the link between attractive partially developed properties and the public.

Robin Boyle and Company
14 Jordan St. EL. 4305 Toronto

The Radiore Process

will locate the Sulphide Mineralized Zones. This accomplishment is a distinct step forward in the art of mining. But it is only one step toward the making of a mine. Sulphide mineralized zones do not necessarily contain commercial ore bodies. An entire property might be well mineralized with sulphides and yet not contain a ton of commercial ore. Hence after the mineralized zones are traced out electrically they must be investigated with diamond drilling or other means to ascertain the possible presence of commercial ore.

The Radiore Process has ascended steadily in favor in the Canadian Mining field. Radiore crews are being booked months in advance. And because of this wave of popularity, because of the unprecedented enthusiasm showered on the **Radiore Process,** Radiore engineers urge a careful study to be made of all Radiore surveys, tempered with caution and conservatism in interpreting the results. Over-enthusiasm becomes dangerous when it permits exorbitant expectations to germinate from the results of an electrical survey alone.

The Radiore Company offers the Radiore Process to the mining world secure in the knowledge that it is a distinct and valuable aid to the mining engineer in developing his property. But the Radiore Company does not sanction the use of a Radiore survey or the results obtained therefrom for other than the conservative and legitimate development of a property.

Consulting Engineers who have used the Radiore Process are endorsing it as a very necessary time and money saving step in their development programme. And they are best fitted in training and experience to judge its merits and to intelligently use the information gained from the results of a Radiore survey.

The Radiore Company

317 Transportation Bldg.
Phone Main 0283
Montreal, Que.

Affiliated with the Southwestern Engineering Corp., Los Angeles, California

No electrical prospecting method will determine the character or the value of a mineralized area.

T. HUGHES EARNED 21 CENTS SHARE DURING THE YEAR

Indications Are Mine Will Soon be Ready for Big Production

Teck-Hughes in year ending Aug. 31, 1927, earned 21 cents per share, net, and after paying dividends of 15 per cent. added $300,000 to surplus account, which now stands at 40 cents per share. The annual report makes the operation look good. It is on the verge of getting away big for the shareholders. Some large expenditures on mill expansion are still to be faced but they are comparatively small compared with past demands. Gross bullion production passed the two million mark for the first time and indications are that the fiscal year, 1928, will see at least another million added to this.

Tonnage handled during the 12 months was 114,765, just under a 50 per cent. increase, while the average content of the ore ran but two cents per ton under the previous year. There are many who look to see Teck's new millheads ease down as tonnage goes up. This is doubtful. In fact, indications are that millheads may work up, as there is just a possibility that there may be a dearth of low-grade ore that can be sent to the new mill. Teck's record for a number of years follows:

Teck Hughes Record

	Tons milled	Total value	Recovery per ton
1917	11,257	66,722	5.44
1918	11,774	80,570	5.45
1919	18,387	169,590	9.22
1920	30,646	247,757	8.08
1921	34,693	322,918	9.31
1922	41,194	596,495	14.48
1923	38,314	1,117,963	29.17
1924	44,209	1,023,025	23.14
1925	55,220	996,943	18.05
1926	79,564	1,461,367	18.37
1927	114,765	2,105,545	18.35

Developments are being pushed deeper steadily and the deepest working is now 2,230 feet and as will be seen from the following table the ore shows a high average. Our understanding is that some fabulous gold ore has been opened on this horizon. The figures on each level follow:

Teck's Deep Levels

Level	Depth of Surface	Width of Ore	Average Grade per ton
14th	1605 ft.	13.0 ft.	$ 5.40
15th	1730 ft.	15.1 ft.	35.90
16th	1855 ft.	15.6 ft.	19.80
17th	1980 ft.	6.0 ft.	11.40
18th	2105 ft.	8.0 ft.	4.80
19th	2230 ft.	12.2 ft.	24.50

President Chas. L. Denison, in discussing future developments, says:

"The policy to be pursued is one of exploitation of deeper levels through the sinking of the central shaft, and as a result of the building and development program cited and now nearing completion, the net income from operations should show a further substantial increase in the immediate future.

"The central shaft, commenced over two years ago, has been carried to the 19th level (2,350 feet below surface). Development has proceeded without interruption at levels 11, 12 and 13 and it is gratifying to note the size of the ore bodies and the grade of ore encountered. During the year stations have been cut at levels 14, 15, 16, 17, 18 and 19. So far, development work of any considerable extent, has been confined to drifting at levels 14 and 15. Little more than station cutting and equipping the same has been accomplished at the lower levels. All of this work has been completed with little delay and closely on schedule.

"Above ground, during the period of this report, two new mill units of 150 tons each have been completed and put into operation, one in February and the other in August. They have worked to perfection, are economical to operate and are accounting for a great deal better recovery than was possible with the old plant. The further enlargement of the mill by 300 tons daily capacity, authorized last spring, has advanced to such a point that I may safely predict its completion and readiness for operation by the end of December."

Mgr. D. L. H. Forbes says that experience at depth proves the presence of poor horizons alternating with good ones, consequently the safest provision for the future lies in extensive development and exploration work done in conjunction with a scale of operation that will permit the prosecution of such deep level work without unbearably heavy expense having to be apportioned against the tonnage mined and treated. He adds:

"About all that can be said, pending the development of the new levels, is that the intersections show excellent widths and grades near the shaft on some of the levels and not so good on others but the presence of a twelve-foot width of high-grade ore at a depth of 2,230 feet from surface is very encouraging and undoubtedly means that the depth at which good ore will be found is considerably greater than that of the 19th level.

"New ore of fair grade and tonnage was found in the western part of the mine on the 11th, 12th and 13th levels and also on the 6th and 7th levels. No further considerable quantity of new ore is expected on any of the levels above the 9th.

"As a result of the year's mining operations, the tonnage of ore extracted was more than replaced in reserves of blocked and broken ore, while the quantity of broken ore in reserve was approximately doubled.

"For the $561,091.63 spent on plant and other construction work during the fiscal year, the entire operation has been greatly improved in efficiency and more than doubled in capacity. Half of the first 300-ton unit of the new mill was placed in operation last February; while the full unit went into operation in August. The construction of a second 300-ton unit was commenced last May and is expected to be finished before the end of 1927. A 10-ton capacity pilot flotation and cyanide treatment plant is also under construction and will soon be ready for test work on high-grade ore from deep levels.

"The existing method of ore treatment in the new mill, which is based on extremely fine grinding in cyanide solution, has given remarkably good results, but it is possible that even better results might be obtained by some modification of the existing process and the pilot plant is designed as a means of trying out new processes without disturbing the regular mill operation. By the end of the year the total milling capacity will be increased to 850 tons per day and continue at this rate on mine ore until the upper level ore tributary to No. 1 shaft and the old mill is exhausted. This is expected in about one more year. The old mill will then be adapted to the work of retreatment of the richer tailings discharged from it and impounded during the past five years."

Developments which have taken place at the mine since the close of the year leave plenty of material for a decidedly interesting annual meeting. Some good news is to be expected about deep developments.

Teck Hughes' Progress in Figures

Profit and Loss

	1922	1923	1924	1925	1926	1927
Bullion produced	$ 481,144	$ 981,525	$1,111,674	$ 924,581	$1,461,367	$2,105,545
Other revenue	20,263	26,854	31,499	26,399	49,249	54,498
	501,407	998,379	1,143,173	950,980	1,510,616	2,160,043
Costs	389,585	438,309	534,148	573,287	758,983	1,101,697
Operating profit	111,822	560,069	609,024	377,693	751,633	......
Tax reserves	......	29,790	32,711	22,610	33,193	41,779
Net profit	111,822	530,279	576,253	355,083	718,440	1,016,567
Balance forward	478,073	226,822	303,458	879,711	1,234,794	1,626,070
Surplus	366,251	303,458	879,711	1,234,794	1,953,234	2,642,637
Premium on shares	......	......	......	......	147,550	......
					2,100,784	......
Less dividend	......	......	......	......	474,714	713,572
Balance forward	366,251	303,458	879,711	1,234,794	1,626,070	1,929,082
Ehares issued	3,870,000	4,505,144	4,520,144	4,520,144	4,747,144	4,747,144
Profit per share	......	11.77%	12.75%	7.85%	15.00%	21.40%
Surplus per share	......	6.73%	19.46%	27.09%	34.00%	40.60%
CURRENT ASSETS			**Capital Account**			
Cash bonds	$ 175,994	$ 233,041	$ 680,456	$ 883,9322	$1,373,654	$1,262,976
Bullion	35,796	47,925	35,460	37,733	90,662	181,611
Inventory	41,900	47,317	59,666	55,055	78,143	79,667
Accounts, etc.	1,304	47	625	122	4,984	560
	254,994	328,830	776,207	976,842	1,547,443	1,524,814
LIABILITIES—						
Accounts	23,649	35,552	61,470	44,472	82,476	179,608
Taxes	6,551	30,000	49,397	22,288	33,192	47,912
	30,200	65,552	110,867	66,760	115,668	227,520
Working capital	224,794	262,778	665,340	910,082	1,431,775	1,297,294

Michipicoten Country Looms Very Important

Large Number of Operations Under Way—Mines Dept. Tells Early History

Ontario Department of Mines has issued T. L. Glidhill's report on Michipicoten and Goudreau along with that of G. B. Langford on Shining Tree and West Shining Tree areas. The two former camps are the centre of great activity now, and Mr. Glidhill's report on the early history of the Michipicoten discovery makes interesting reading. Goudreau is comparatively young, the first gold being found there in 1918. Both areas are north of Sault Ste. Marie.

Michipicoten is just starting to come into its own now under modern mining methods and knowledge of geological structure, yet the first gold find was made the year after the start of the Yukon rush. The original discovery, Mr. Glidhill relates, was made on a point in Wawa Lake by an Indian couple. Wm. and Mrs. Teddy paddled over to the point one day to camp for lunch. While Mrs. Teddy was dipping a pail of water from the lake she observed some bright objects which aroused her curiosity. She called her husband's attention to them, and he was curious enough to break off a few samples, which he showed to a Mr. Mackey then at Wawa. Mackey succeeded in interesting a New York man sufficiently for him to furnish the sum of $1,200, which Teddy demanded for his discovery. The Associated Press gave out the news of the gold discovery, and soon a stampede was on, which brought many types of men and women to the new gold field. Some of these adventurers were old placer miners diverted to Michipicoten from the rush to the Klondike in 1898. The sand benches along the Michipicoten river at once attracted their attention, and they staked placer claims which were worked vigorously. There is no reliable evidence that any placer gold was found; the placer miners quickly disappeared.

Those who went into the bush at all were mostly coal-miners and oil-drillers from Ohio and Pennsylvania, chiefly sent in by individuals or syndicates. These people did locate and acquire some promising claims, on which they spent a considerable amount of money with apparently encouraging results. There were a few old time prospectors from the western United States and British Columbia, but they were dissatisfied from the start; the conditions were not to their liking. They did not take kindly to the canoe, pack-sack, and tump-line as a means of transportation. They had been accustomed to the Rocky Mountain canary (donkey) to do their packing. Their old adits and shafts tell the story. Most of them did not leave the Mission and took the first boat out. In 1927 many of these obstacles are removed.

Following the gold rush, a number of prospectors went into the country about Wawa lake to search for iron. The result was the discovery of what was afterwards known as the Helen mine, which was promoted by F. H. Clergue.

Before the close of 1899, the prospectors turned their sole attention to gold-bearing quartz, as an Order-in-Council was issued, which was temporarily revoked in 1909, forbidding the staking of iron claims by the general public. One of the most energetic of the new corps of prospectors was James H. Teare, who arrived in the area in 1899. Before the end of the year he made eight discoveries of visible gold and staked nearly fifty claims, including the groups known as the Kitchigami and Norwalk.

The Grace mine, claim D.J. 7, was staked by A. B. Blackinton who turned it over gratis to Julius George, a young German, who afterwards discovered the main Grace vein. George sold this group of claims to the Algoma Commercial Co., which was a subsidiary of the Lake Superior Corp. They sank a shaft at the Grace to a depth of 300 feet and did about 800 feet of lateral work. At the surface the vein was 14 inches wide; at the 100-foot level it narrowed to almost nothing and then widened below this. At 300 feet it showed a width of 5 feet of a bluish-white quartz carrying visible gold. The mine and mill ran successfully until 1903 when the Lake Superior Corp. went into the receiver's hands.

Angus Gibson then optioned the Grace group of 42 claims. Gibson and associates sold the property, retaining an interest. High financing on the part of the purchasers resulted in a close-down, although much gold was milled in the meantime.

After these operators left, George Newell and Angus Gibson cobbed the ore dump twice, putting through the mill a binful of about 60 tons each time. The first run amounted to $2,040, or $34 to the ton in gold, and the second ran $1,680, or $28 to the ton. All debts were paid, but no money was left for further development, hence the property was placed on the market. The history of the mine was chequered for the next sixteen years until R. N. Bond and Colonel Royce of Toronto took over the property. They interested J. A. Jacobs of Montreal, who agreed, for a controlling share, to furnish the money for development. The Star property adjoining the Grace was taken over.

Other early attempts at mining were made on the veins at the Kitchigami, Norwalk, Mariposa, Golden Reed, Minto, Hornblende, and Ganley prospects.

Mining of recent importance has been carried out chiefly by the Pioneer Mining Corp. and its subsidiary company, the Cooper Gold Mines. At present they are concentrating their efforts on the Minto vein and the Jubilee lake break, a short distance northwest of the Minto. Power and Mines Syndicate of Montreal has unwatered the Grace mine and is re-examining it along with the Cora claims near Jubilee lake. A new surface plant is being installed to extend the old workings of the Grace.

While it may be a little technical, Mr. Glidhill's discussion on the origin of the deposit is such that the average layman can grasp most of the facts. It answers in part, the oft repeated query of where did the gold come from. He says:

The gold deposits in the Michipicoten camp are all of the primary type and are found in quartz fissure veins as well as in mineralized schist, but combinations of the two types also appear. From the way the ore occurs in veins and lodes, along fractures or bands of fractures, and replacing the minerals of various country rocks, it is evident that the deposits were formed after the consolidation of the country rock through the agency of aqueous mineral-laden solutions closely connected with igneous activity. An additional proof of this origin of the ores is afforded by microscopic sections of the ore, which show the secondary origin of all the ore minerals and the gradual replacement of the original components of the rocks and vein quartz by them.

The ore deposits of Michipicoten, then, may be classified as epigenetic replacement deposits formed along shear or fissure zones. That is, the ore has been introduced up the channels of the shear zones and fissures as hot, alkaline, aqueous solutions and gases from below under conditions of high temperature and pressure.

It is inferred from field and laboratory data that there were at least two periods of mineralization; in the first period emanations caused wall rock alterations and filling of the fissures with quartz and an introduction of the vein sulphides with probably some gold; in the second period there were alkaline solutions carrying gold that were introduced after the sulphides were fractured. The metallic gold in the alkaline solutions may have been precipitated by the chalcopyrite, especially where the chalcopyrite crystals were fractured.

The fissures did not follow the exact contacts the whole way but traversed independently the rocks of both formations. The character of the ore and the size and shape of the ore shoots appear to be largely dependent upon the kind of country-rock formation and its varying susceptibility to fissuring and replacement.

Goudreau besides being a prospective gold camp has long been noted for its large deposits of iron pyrites and different chemical concerns have operated there. The pyrite is practically free from lead and arsenic and is thus ideal for making sulphuric acid.

Activity in the Goudreau and Michipicoten areas is increasing daily, and each day brings forth some new development or project. The Cline Mines are sinking shaft, McCarthy-Webb is diamond drilling, there is much activity on the Kozak property recently taken over by the Timmins interests, International Nickle is exploring the property northeast of the Kozak, and the Pioneer is making preparations to sink a new shaft and open up the famous Jubilee Break. The Grace Mine is carrying on extensive underground work, and many smaller operations keep the fields humming all the time. Alderson and Mackay have taken up a group for Towagmac and Sudbury Basin has secured a copper property in from Dean Lake on the Soo line.

Michigan Copper Fault Lines Up With Michipicoten

(From T. L. Gledhill's report)

"It is noteworthy in connection with the structure of the area that this strip of country lies in a belt of rocks which is located on the axial line of the Lake Superior geosyncline. The strike of the large, longitudinal faults in the copper-bearing rocks of Keweenaw point, northern Michigan, if produced eastward would pass through the Michipicoten gold area. The regional map of the area, Map 155A of the Dominion Geological Survey, shows a linear chain of lakes with a northeast-southwest trend stretching east from Wawa lake. This direction has been a line of heavy faulting up to late pre-Cambrian time. An aerial photograph of Wawa lake, taken in October, 1926, by G. Swartman, of the Ontario Forestry Branch, shows clearly two marked and continuous fault scarps closely bordering the south side of Wawa lake."

Premier Driving Long Tunnel on Prosperity

Premier Gold Mines plans to drive a 1,500-ft. tunnel on the Prosperity group, Salmon River North Fork Section of Portland Canal, to tap the extension of the Porter Idaho lode at 400-ft. The latter company recently cut the lode in a tunnel on its territory at a depth of 400-ft. It is reported to be seven feet wide at the point of intersection, two feet of which is solid galena well impregnated with native silver and silver sulphides, similar to that now being mined in the levels above; the remainder of the lode at this intersection is a good grade of milling ore.

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Sudbury Mining Division:

SERPENT BASIN: Peyton Group, Whitefish Group, Caribou Group, McCool Group, Corner Lake Group — including five miles along the axis of the Basin. Geology and structure similar to Sudbury Basin. Mineralization copper-silver-gold. Reports by M. W. Summerhayes, M.E.

Algoma Mining Division:

BELLEVUE AREA: Interest in the Poitras discovery. — Mineralization silver-lead. Report by M. W. Summerhayes, M.E. Geology Keewatin Greenstone and Keeweenawan Diabase, Cobalt Sediments.

Michipicoten Area:

Control of Andargo Mines Corporation, Limited. 33 mining claims and 7,000 acre Engineers' Group. — Structure N.E. and S.W. sheared zones. Geology, Keewatin Basalt, Algoman Porphyry and Keeweenawan Diabase.

21 Discoveries recently reported. Mineralization copper-silver-gold. North and East from Pioneer Mining Corporation. East from Dome Mines (Christie group) and South West from Alderson-Mackay, Huronian Belt and International Nickel operations.

Limited initial offering available. Inquiries solicited from individuals, mining companies, Investment Banking and Financial Houses. Write or telephone for official prospectus. No obligation.

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The Story of a Mine

The North Country Mines

DO you realize that Canada's Northern Mines are making many investors wealthy? Here are a few of the outstanding facts—in less than ten years Hollinger, for which $350,000 was paid, has paid $22,000,000 and has over $75,000,000 ore blocked out. Teck-Hughes, an original 15-cent stock, now sells above $10.00 ($1.00 par) and pays 10%—and there are many others.

One of the more recently sensational mines is Abana. Though not yet actually producing, Abana's blocked-out ore is approximately $6,000,000. And only six months ago Abana sold at 35c! Abbey Mine is adjacent to Abana and its formation is very much like that of Abana. In fact, it is called "Abana's Extension."

Every week a new ad. will appear, telling the story of Abana and Abbey Mines—Watch for them.

A mine isn't made in a day or a month. It takes time, money and good management. Far-sighted investors study the latter as well as the two former—for the past records of management are an indication of present and future ability. Do you know our record with Premier Syndicate and Canadian Exploration? Get it and judge for yourself the possibilities of Abana and Abbey.

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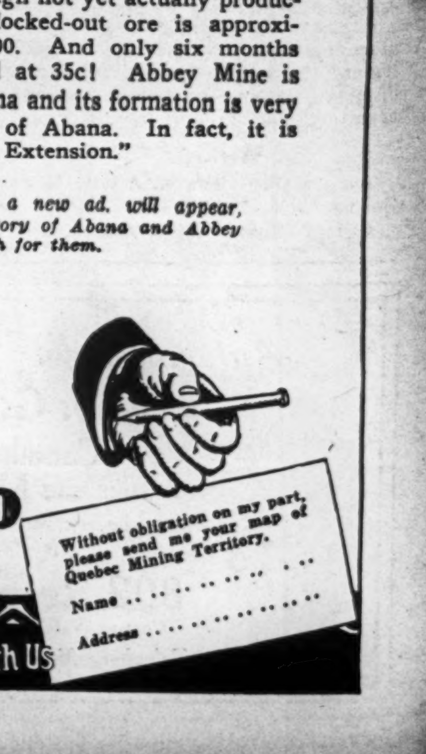

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Mixed Feelings Exist on Future Prospects of Montreal Tramways

Present Market Price of Stock Indicates That Shareholders Have Larger Equity in Property Than Bald Figures Indicate

From Our Own Correspondent

MONTREAL.—Many investors regard, with mixed feelings, the shares of the Montreal Tramways Company at present prices. The shares pay $10 a year and on a yield basis are not selling high as compared with other utilities. Investors who do not fancy the stock at present prices, point to the fact that the shareholders have only a small equity in the property. The last balance sheet of the Montreal Tramways Company showed a total funded debt of $41,800,000 as compared with common stock presently outstanding to the extent of only $5,000,000—a not particularly satisfactory ratio.

The present market price of the stock indicates that the shareholders have a larger equity in the property than the bald figures indicate. At a price of $190 a share, the market value of the common stock amounts to $9,500,000, which compares more favorably with the total bonded indebtedness of $41,800,000.

Obvious Factors

There are other more or less obvious factors which do not add to the attractiveness of the shares. Tramways on the continent have not been doing well and in some instances where fares have been increased, it has resulted in no increased profits as increased fares have brought about a decline in the number of passengers carried.

One of the satisfactory points, though, about the shares of Montreal Tramways Company is that the unattractive features of the stock are readily apparent. All the attractive features of the stock are perhaps not so apparent. The company is now controlled by Montreal "Power" and Shawinigan. This in itself assures able management. Then again, it is certain that the present management, unlike its predecessor, will endeavor to strengthen the financial structure of the company, and when further financing is required, it is reasonable to presume that this will be accomplished by common stock issues rather than by increasing the bonded indebtedness.

Thus, holders of the common shares of Montreal Tramways, can anticipate the issue of further stock rights from time to time at satisfactory prices. This in itself is one of the reasons why the stock compares favorably with other traction stocks.

Fair Return

Then again, too, the company operates under an excellent and satisfactory contract with the City of Montreal which allows the company to earn a fair return on its investment. With the ultimate expansion of Montreal's traction facilities, probably in the underground or overhead traction field, there is every reason to presume that the company will be able to arrive at a satisfactory operating agreement with the city of Montreal, when further transportation facilities are constructed in Montreal. That time does not seem to be far distant, for already during rush hours, many of the company's lines are loaded to capacity and no further increases are possible.

When an underground or an overhead system of transportation is built in Montreal there is every reason to presume that it will be operated by the Montreal Tramways, and ultimately in such extensions, the present shareholders of the company should participate on a favorable basis. Indeed, plans have already been laid by the company and by the city of Montreal Tramway Commission for expansion in the rapid transit field.

DISSENTERS FIND ALLIES IN THREE OF BROOKS MEN

Steam Bus Enters Realm of Possibility, Says Report

Three of the five directors of Brooks Steam Motors, Ltd., have deserted O. J. Brooks, president, and allied themselves with the dissenting shareholders who are represented by F. W. Wegenast. The three directors are D. McCall White, George O. Norton and H. A. Oswald. The fourth director, E. R. Penhall, is said to be a relative of O. J. Brooks, by marriage.

Control of the company thus rests with the directors who have allied themselves with the dissenting shareholders. The effect of this will be that, in the various legal actions in which the company is named defendant by shareholders, the company is likely to accede to the demands of the shareholders. It may be necessary to proceed with the actions, however, inasmuch as O. J. Brooks, who is president of Brooks Securities, is named as codefendant in a number of instances.

Certain of the officers and directors of the company think that a steam motor bus has been developed which is practicable from a commercial point of view. Tests are being made at Stratford and it was reported that a tour of Western Ontario is planned. At this time the company has neither buses nor stock for sale.

In the event that the bus is proved practicable, an effort probably will be made to sell royalty rights to a manufacturing company. In any event, a reorganization of the company is to be expected in which the capitalization will be scaled down materially. Considerable new capital would have to be found if there were to be a real attempt to manufacture the bus for commercial purposes.

It is reported that stock in the present company is now being sold in the state of Washington and Oregon.

During the first eight months of this year, 13 newsprint machines went into operation in Canada with a total daily capacity of 1,400 short tons. It is expected that the Anglo-Canadian Co. will put into operation a 100 ton machine at the Limoilu mill immediately.

Steady Production Maintained by Canadian Connecticut

From Our Own Correspondent

MONTREAL.—The Canadian Connecticut Cotton Mills has maintained a steady production throughout the last fiscal year which ended in September. The earnings will be up to last year's level. Owing to close competition from the United States manufacturers, prices have been low, and the company has been working on a narrow margin of profit. Notwithstanding this, the Canadian Connecticut Cottons has maintained its output and is in a strong liquid position. In view of the showing being made under the present trying conditions, it would appear that any improvement in the situation surrounding the manufacture of tire fabric, would make itself more than proportionately seen in the profits of the company. Any betterment, though, in the general situation still seems to be some distance away.

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CAPITALIZATION

	Authorized	To be Issued
7% Cumulative Preferred Stock	$1,000,000	$500,000
Common Stock (no par value)	200,000 shares	100,000 shares

DIRECTORS AND OFFICERS

President
J. F. MACKAY, President J. F. MacKay & Co. Ltd., Toronto

Vice-President
W. B. WOOD, President Keystone Securities Corporation, Ltd., Montreal

Manager
H. A. FREEMAN, B.S.A., Simcoe, Ont.

Directors
JAMES PLAYFAIR, Midland; D. L. WHITE, Midland;
J. F. MACKAY and W. B. WOOD

Secretary
H. E. MANNING, Toronto

Solicitors
LONG & DALY, Toronto

Auditors
THORNE, MULHOLLAND, HOWSON & MCPHERSON

Bankers
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THE COMPANY: The Company has been formed for the purpose of growing flue-cured tobacco, and for this purpose has purchased some 1800 acres of flue-cured tobacco lands in the Counties of Norfolk and Elgin. A commission of professors in agriculture was last year appointed by the Province of Ontario with a view to determining the area best suited to the production of tobacco, and all the lands now held by the Ontario Tobacco Plantations Limited have received the unanimous approval of this commission as being excellent for flue-cured tobacco growth. The acreage of first class flue-cured tobacco lands in Canada is reported to be quite limited, and the climate of the Norfolk and Elgin County District as particularly suited to the production of the plant.

ASSETS: As there are no bonds authorized to be issued by Ontario Tobacco Plantations Limited, the Preference Stock will have a prior claim on all the Company's assets, subject only to trade and other debts and certain existing mortgages amounting to $158,345. These, as they mature, will be retired and the preference shareholders will then have the first proprietary interest in the entire property.

When the present building programme is completed, the assets of the Company will include a complete equipment of barns, implements, machinery and live stock, the cost of which is estimated at $250,000. The approximate value of the property in less than three years should be $1,360,000, estimating the value of the land at figures at which similar lands are now being sold in Essex County.

ESTIMATED EARNINGS: It is estimated that more than one-third of the Company's lands, or say, 650 acres, will be in tobacco production for 1928, and that an average yield of not less than 800 lbs. of flue-cured tobacco per acre can be counted on. This year's price is expected to be not less than 35 cents per pound. The price for the past five years has ranged between 30 and 60 cents per lb. It is expected that a further 1100 acres will be devoted to other crops, such as clover, wheat, barley, oats and other grains. The Company's policy will be to observe a rotation of varied crops as the best means of obtaining the largest financial return and at the same time conserving the soil. On the above basis, it is estimated that earnings for 1928 will be as follows (assuming normal weather conditions to prevail):—

650 acres in tobacco, producing an average of 800 lbs. per acre, and selling at 35 cents per lb.; gross return would be	$182,000.00	
Revenue from remaining 1100 acres, estimated to average $10 per acre	11,000.00	$193,000.00
Total operating costs in producing tobacco		65,000.00
Estimated Net Revenue (before Depreciation and Income Tax) equal to more than three and one-half times Preference Stock dividend requirements		$128,000.00

In reporting to the Canadian Government, as their representative at the British Empire Exhibition at Wembley, Mr. H. A. Freeman, among other things, stated:—"It can be definitely said that Canadian leaf tobacco, clean and sound, well graded and well packed, is greatly preferred in every tobacco manufacturer's plant of importance in the British Isles to leaf from any other part of the Empire. The British manufacturer will pay a few cents per pound more for Canadian leaf than for leaf of equal appearance from other parts of the Empire."

In a Bulletin recently issued by the Department of Agricultural Economics of the Ontario Agricultural College, Guelph, reporting a survey of the operations of 230 tobacco farms growing tobacco in Southwestern Ontario, the following statement is made dealing with four efficient farms: "We notice that the acre costs either in total or individual items do not differ materially, but on account of the higher yield of tobacco the *profit items are sufficient to return 22% on the investment in land at a valuation of $821.00 per acre.*"

PURPOSE OF ISSUE: The proceeds of this issue will provide working capital, contribute to payment for the property, equip the farms with the necessary machinery for the planting and harvesting, including tractors, wagons, ploughs, discs, seeders, erect barns for the housing and curing of tobacco, and purchase necessary live stock.

MANAGEMENT: The Company has been extremely fortunate in securing the services of Mr. H. A. Freeman, B.S.A., as Manager. Mr. Freeman is recognized as Canada's outstanding tobacco growing expert. For the last eleven years he has been actively identified with the Tobacco Division of the Dominion Department of Agriculture, his present position being that of Superintendent of the Government Experimental Farm at Harrow, Essex County, Ont. Mr. Freeman enjoys the complete confidence of the industry in Canada, the United States and Great Britain.

MARKET: To-day millions of pounds of flue-cured tobacco are imported annually into the Dominion to meet the domestic demand. When the time comes that the local requirements are met, Great Britain stands ready to take all the tobacco of quality that this country can supply for years to come. To encourage the development of this industry, Great Britain admits Empire tobacco under a preferential tariff of practically 25%, or 50 cents per pound. The result of this preference, granted two years ago to remain in force for ten years, has been to cause an increase in exports from Canada to Great Britain of from 1,848,533 lbs. in 1925 to 4,892,386 lbs. in 1926, with an estimate of 7,000,000 lbs. for 1927. British firms have already erected re-handling plants in Ontario, as shown in the Government report for last year, capable of handling three times the entire 1926 crop.

LETTER FROM MR. H. A. FREEMAN, B.S.A.

Writing, as an official of the Dominion Department of Agriculture, Mr. H. A. Freeman said in an article in the *Border Cities Star*, Windsor, Ont., of August 20th, 1927:—

"Tobacco culture in Canada has been organizing and rising from the chaos where it has groped so long. The aversion of the Manufacturers to the use of the home-grown product was overcome through the improvement in the culture by the grower and through protective duties placed against the imported leaf.

"The last protective law, which is but a readjustment of the preceding one, gives to the Canadian tobacco leaf a protection of forty cents per pound. The duty seems sufficient to enable home grown tobacco to compete with fair advantage against similar United States products, their most formidable rivals.

"At the present time Canada's tobacco culture is prosperous, and if we judge by its daily increasing development, the production will soon be such as to meet most of the domestic manufacturer's requirements, and support a substantial and steadily increasing export leaf tobacco business.

"During recent years the annual tobacco crop in Southern Ontario has reached the figure of 27,000,000 pounds and should go much beyond this figure this year. The climate of that part of Canada, tempered by the proximity of the immense body of water of the Great Lakes, is of marvellous mildness. From the middle of May to mid-October, generally no serious frosts are to be feared. The rainfall through this area is sufficient and well distributed for the production of tobacco.

"Favored by an ideal climate, and by a rich and eminently suitable *soil, the growers of Ontario have obtained remarkable results in a wonderfully short time.* The culture of Virginia or bright flue-cured type of tobacco was commenced only a few years ago. Thanks to a judicious choice of soils the growing of this tobacco is a wonderful success. *The prospects seem good and the market favorable.* Production has steadily increased since the beginning. The chief uses to which this tobacco is put is for cigarette and pipe smoking."

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IMPERIAL BANK'S DIRECTORS WRITE DOWN PREMISES

In Times of Prosperity, Bank Builds in Strength

Notable improvement in bank profits have been anticipated for the current year. The first of the banking reports to appear lives up to expectations in this regard.

Imperial Bank of Canada shows a $7,000,000 increase in assets and an increase in profits from $1,265,000 to $1,382,000 for the year to October 31, 1927.

The increase in profits has enabled the directors of the bank to take a very important step towards further increasing the organization's inherent financial strength. The sum of $250,000 has been written off bank premises account. Despite this write-off the account shows increase for the year, due the expansion of the bank in new fields.

Pays Usual Dividends

Imperial Bank maintained its dividend rate during the year and paid the usual bonus. Dividends amounted to 12 per cent. plus one per cent., a total of 13 per cent.

There was an increase of only $19,000 in the profit and loss surplus account, the write-off from bank premises having consumed the major portion of profits available after taxes, etc.

Comparative results for the year are indicated in this summary table:

Profit and Loss

	1927	1926	1925
Profits	$1,383,281	$1,265,776	$1,162,148
Pension fund	42,500	42,500	42,500
Taxes	160,000	160,000	150,000
Writ. of premises .	250,000	......	......
	452,500	202,500	192,500
	$ 930,781	$1,063,276	$ 969,648
Dividends ..	840,000	840,000	840,000
Bonus	70,000	70,000	70,000
Surplus	20,781	153,276	59,648
Prev. surplus	1,252,148	1,098,871	1,039,223
Ttl. surplus	$1,272,929	$1,252,147	$1,098,871

Balance Sheet Figures Grow

All around expansion is revealed by the balance sheet of the bank. A substantial improvement in business throughout the country is clearly reflected in the set of figures the balance sheet provides. Demand and deposits show an increase of $5,500,000; savings deposits are higher by $2,700,000.

Current loans have increased by only $16,000. Government loans are higher by $2,100,000 and call loans by $5,100,000. The latter figure is rather interesting for it seems to show that the bank is increasing its activities in the field of financing investment banking and stock market transactions. This would reflect the confidence of the banks' officers and directors in the fundamental soundness of the investment situation as well as opening up new fields of business for the bank.

Comparative balance sheet figures follow:

	1927 $	1926 $	Change $
Immediately Available Liquid Assets			
Specie	988,058	963,103	+ 24,955
For. curr.	216,006	167,223	+ 48,783
Dom. notes	10,371,468	10,473,959	— 102.491
Note civ. dep.	342,712	332,731	+ 9,981
Notes, bank	860,944	685,017	+ 175,927
Bank bal.	605,571	507,653	+ 97,918
Do., ab'd	2,357,818	4,235,807	—1,877,989
Gov. secs.	14,034,770	15,846,623	—1,811,853
Cheques	8,700,233	5,845,343	+2,854,890
Gold reserve	3,764,467	4,004,467	— 240,000
Call l'ns ab'd	4,300,000	5,000,000	— 700,000
	46,542,047	48,061,926	—1,518,879
% total assets	33.7	36.6	— 2.9
% total liab. to public	38.1	41.7	— 3.6
Other Assets			
Pub. secs.	6,021,769	5,695,435	+ 326,334
Other secs.	61,602	64,832	— 3,230
Loans, gov.	3,373,710	1,209 878	+2,163,832
Curr. loans	55,202,802	55,186,971	+ 15,831
Non-curr.	162,695	251,874	— 89,179
Call loans in Can.	13,560,910	8,427,522	+5,133,388
Lets. of cred.	834,624	564,397	+ 270,227
Real estate	365,642	634,524	— 268,882
Mortgages	679,516	550,945	+ 128,571
Premises	4,990,343	4,921 660	+ 68,583
Mun. loans	6,827,566	5,912,982	+ 914,584
Other assets	275,971	349,363	— 73,392
	92,357,150	83,770,383	+8,586,767
Total assets	138,899,197	131,832,309	+7,066,888
Liabilities to Public			
Circulation	10,481,390	10,692,633	— 211,243
Dem. deosits	23,943,671	18,409,936	+5,533,735
Savings dep.	85,071,249	82,377,079	+2,694,170
Due banks	2,084,550	3,460,665	—1,376,115
Due else.	430,200	294,699	+ 135,501
Lets. of cred.	834,624	564,397	+ 270,227
	122,845.684	115,799,409	+7,046,275
To Shareholders			
Capital	7,000,000	7,000,000	......
Reserve	7,500,000	7,500,000	......
Dividends	280.583	280,752	— 169
Balance	1,272,930	1,252,148	+ 20,782
	16,053,513	16,032,900	+ 20,613
Total liab.	138,899,197	131,832,309	+7,066,888

Dominion's Finances Better, But Tax Reduction Unlikely

According to the government's latest financial statement, the Dominion's national debt at the end of September stood at $2,277,644,556. The reduction made during the half-year was $16,000,000 greater than in the corresponding period of 1926. This year's improvement was effected largely by the increase in customs collections due to the combined causes of heavier imports and a checking of smuggling.

The amount of the increase has not been sufficiently great, nor the contributing causes been permanent enough, to justify the government's considering any tax reductions at present, the finance department pointing out that the total Canadian per capita tax of $66.11 is still lower, anyway, than the $67.39 of the United States.

Consequently, the only return that can be made to the people is in the improvement of the country's credit abroad. But the $75,000,000 on hand has also to be used to meet interest payments of $40.498,000 on government bonds before the end of the year. Still, a strong hope is expressed that the tax-free issue expiring in December will be met partly by a new refunding loan paying less than the 5½ per cent. that these bonds now bear.

Seat on 'Change Costs $60,000

From Our Own Correspondent

MONTREAL.—A seat on the Montreal Stock Exchange changed hands at a new high level for all time when C. J. Hodgson and Company purchased a seat from A. J. Pattison for $60,000. A week or so ago, a seat on the Montreal market sold at $45,000. The price of the seat is in line with the growth of business on the Montreal exchange which this year will again eclipse all previous records.

EFFORTS TO SAVE B.C. FISH PACKING SUSTAINS SETBACK

Asiatics' Return to West Coast of Vancouver Island Perturbs Industry

From Our Own Correspondent

VANCOUVER.—Canada's effort to save British Columbia fishing resources from Oriental domination is threatened by the sudden return of Asiatics to the fish packing and reduction plants on the west coast of Vancouver Island. This movement is regarded as the most serious setback the province has received for years in its attempt to halt Oriental penetration into basic industries.

At the moment the Province appears powerless to do anything in the matter, but events of the next few months may place the whole question of fish packing administration on the shoulders of the provincial government. The sudden influx of Orientals into the island fish plants thus has raised an issue which may be a leading theme of debate in provincial politics before the end of the year.

Legal Questions

Complicated legal questions are involved in the return of Orientals to the fish plants. The Federal government has always issued licenses for reduction plants and salteries with a strict provision against the employment of Orientals. Up to the present this rule has been enforced without serious question.

The recent decision of a British Columbia court that the federal government has no right to license canneries however, has brought the powers of the Ottawa authorities into open question. On the strength of the B. C. court decision the Orientals have flocked back to the Island plants. Should the supreme court of Canada, which has been consulted on the matter, rule that the Federal government has no licensing power, the province would have to take over the administration of these establishments. Thus it would inherit the problem of barring Orientals. Just how this could be accomplished officials here cannot see at the moment. But if the supreme court's decision leaves the fish plants in the hands of the provincial government, undoubtedly the prohibition of orientals will be considered as one of the chief objectives to be attained.

The possibilities opened up by the Oriental movement on the West Coast go further even than this. It is reported here that Orientals who have been gradually forced out of the fishing business in British Columbia are planning to challenge the power of Canada to eliminate them in this way. Their return to the fish plants thus may be just the first step in a determined effort on the part of the Asiatics to retain their old footing in the whole fishing industry. Over actual fishing operations, of course, the province has no control whatever, the question before the supreme court relating only to packing reduction operations.

Federal Jurisdiction

A decision by the supreme court throwing out federal jurisdiction over fish plants and canneries would probably mean a large new revenue for the province. The federal authorities collect heavy licenses from all canneries operating here and these fees presumably would be collectible by the province.

INTEREST RATES DECLINE IN 25 YEARS, IS THE PREDICTION

(Continued from page 14)

that, in so far as the change of prices which is going to take place is foreseen, it will be allowed for in the terms of the loan contract. Correct foresight, therefore, on both sides would necessarily lead to a nominal rate that was truly representative of the real rate. In other words, the rate in terms of money would rise and fall with variations in the purchasing power of money. In actual fact, however, experience shows that the judgment of the market almost always underestimates future price changes and does not make sufficient allowance for them.

Historical studies that indicate a close correlation between price movements and interest rates are liable to be misleading. In many instances, it is not a case of the price trend affecting the rate of interest; it is rather that the existence of fundamental factors produces similar results upon both interest and prices. During the Great War, for example, there was an inflation of currency and credit resulting in rising prices, while at the same time there was an enormous demand for capital from governments for war purposes, causing a rise in the rate of interest.

I do not deny the influence of prices upon interest rates, but I would suggest that the underlying influences of the demand and supply of capital are more significant.

Capital Investment Important

Therefore, it may be affirmed that, in the absence of wars on a large scale, the most important factor in the future demand and supply situation will be the productive efficiency of capital investments. Though many loans are made for other than productive purposes, the major part of the savings of the community are utilized in industry. If new loans can be used to greater and greater advantage as time goes on, then the price of loans will increase. But if new money has to be devoted to services that are less and less productive, then the rate of interest will surely fall. Business men will not pay a price for their capital which is greater than the estimated value of produce yielded by means of the capital.

But in spite of the many things that might happen to raise the rate of interest, I am disposed to predict a gradual decline for the next twenty-five or thirty years. The tendency for savings to grow seems more certain than the tendency for the demand for capital to increase. In England, prior to the Boer War, the rate of return on consols, Bank of England stock and the securities of the established railway companies fell below three per cent. There was evidence of a tendency in that country for the supply of savings to outgrow the demand for new capital. And the rate would have fallen still lower if the surplus supply had not found an outlet in Canada, United States and other less developed countries.

In the United States to-day the annual volume of savings is enormous, overflowing national boundaries and finding its way into Europe, South America and Asia. But in spite of this overflow, attractive domestic issues have no difficulty in finding a ready sale amongst American investors. As England, France, Germany and other European countries recover from the effects of the war, new supplies of capital will be available, and the competition for profitable investments will increase. Undoubtedly, many new opportunities for the productive use of capital will arise, but, owing to the uncertainty that a sufficient number of them will appear to counter-balance the increase in the volume of savings, I am disposed to forecast a gradual decline in the rate of interest.

Trade Cycle

Of course, I am referring only to the long time trend. The periodical fluctuations in business activity, which we call the trade cycle, may or may not be as marked in the future as they have been in the past. If the phenomenon keeps on recurring, there will be checks in the downward trend and possibly slight increases in the rate from time to time. But since interest on long time investments is not affected to the same extent as the rates for loans of shorter maturity, the trade cycle will not appreciably modify the downward course of the investment rate.

Canada Iron Foundries May Start Near Bathurst

From Our Own Correspondent

MONTREAL. — The Canada Iron Foundries in conjunction with other interests are likely to commence operations soon at the iron mines near Bathurst, New Brunswick. These properties were operated formerly, but the ore was of a grade which could not then be marketed profitably, but it is now proposed to install a new process, which will allow this type of ore to be profitably turned into iron. Negotiations leading to resumption of the operations of the Bathurst mines have been going on for some time.

Mining operations on the property near Bathurst, N.B., were commenced first in 1907 by the Drummond interests and continued for some years. It is felt that the introduction of a new process, which has been successfully carried out in Norway, will make the iron mines at Bathurst a profitable venture. The Canada Iron Foundry interests will make extensive tests which if satisfactory will lead to the establishment of a large industry near Bathurst. The iron mines are connected to Bathurst by an old branch of the Canadian National Railways.

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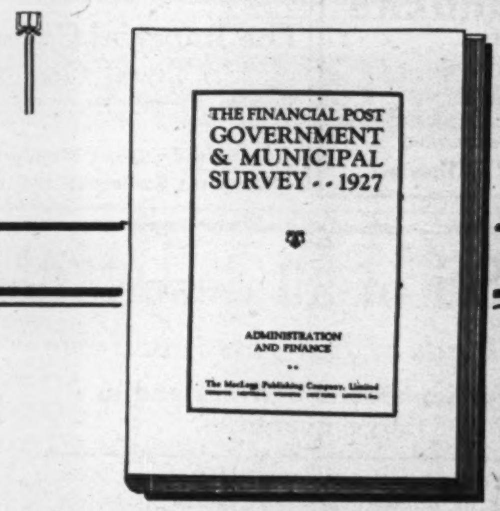
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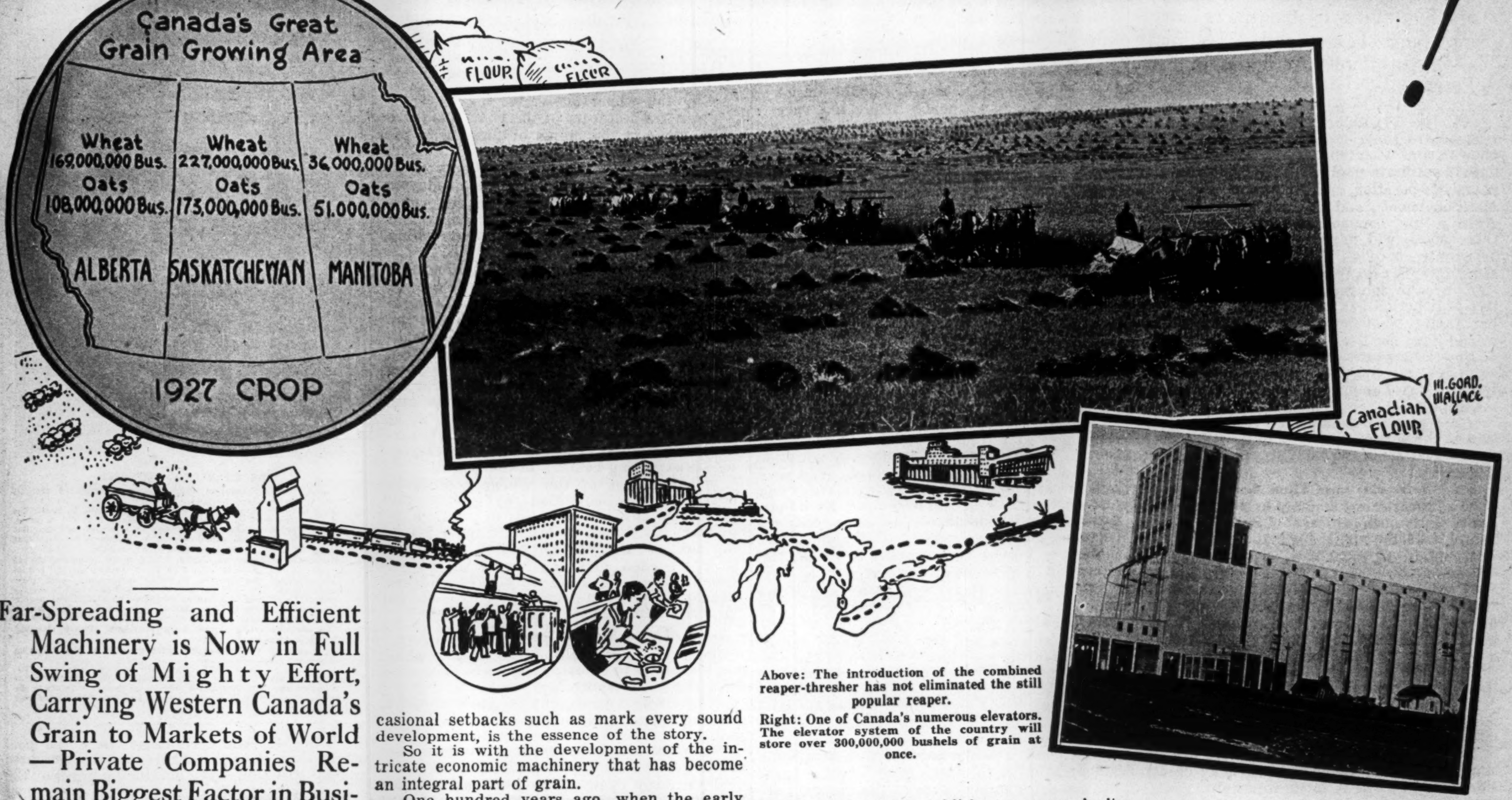
Vol. XXI. PUBLICATION OFFICE: TORONTO, NOVEMBER 25, 1927 No. 47

Canada Collects Her Grain Dollar!



Above: The introduction of the combined reaper-thresher has not eliminated the still popular reaper.

Right: One of Canada's numerous elevators. The elevator system of the country will store over 300,000,000 bushels of grain at once.

Far-Spreading and Efficient Machinery is Now in Full Swing of Mighty Effort, Carrying Western Canada's Grain to Markets of World—Private Companies Remain Biggest Factor in Business Despite Wheat Pool Activities—Their Service is Constantly Expanding to Meet Growing Needs

By FLOYD S. CHALMERS

Far into the night, at this time of the year, a massive building remains ablaze with light. In nearly every office, there are men and women at work; men and women who roll out of bed when their neighbors do, but who will not quit work until other people are coming home from the movies. Long hours of work are an inseparable feature of the peak load in the grain movement; they are part of the year's work for those whose job it is to help Canada collect its grain dollars.

Not far short of a billion a year is the total of these dollars; the largest single contribution made each year to Canadian prosperity, the most important annual factor in our economic growth; the cash return on the biggest business in Canada—grain.

Provides Enormous Yearly Return

This year Canada will produce 450,000,000 bushels of wheat; 450,000,000 bushels of oats and a vast treasure in lesser grains. The crop will put into the pockets of Canadian farmers and business men a billion dollars; five times as much as the annual revenue from the gigantic pulp and paper industry; four times as much as that provided by the dairying and creamery business; an amount equivalent to three times the national revenue; an amount almost large enough to buy out the Canadian Pacific Railway — the world's greatest transportation system—lock, stock and barrel.

There is romance to this grain trade; but the romance and the glamor cannot conceal the quiet workings of a most efficient machine that has been built up slowly and strongly as many decades of close study, incessant toil and vitalizing experience have drawn the pattern.

Striking Advance in Production

Canada's first grain crops were the product of tiny fields, hewn from the woodland or staked out on the bald prairie. They served to feed the advance guard of to-day's ten millions. Canada's grain crop to-day feeds all of Canada and three times as many people in other parts of the world, for such is the ratio between Canada's consumption of its own wheat and its exports. To bring production to its present level, broad new areas have had to be opened up, many new citizens have had to be welcomed to Canada, striking advances have had to be made in methods of cultivation and harvesting and in grades of wheat. Steady advance, punctuated by occasional setbacks such as mark every sound development, is the essence of the story.

So it is with the development of the intricate economic machinery that has become an integral part of grain.

One hundred years ago, when the early Selkirk settlers gave the West its first "bumper" crop of 1,200 bushels of wheat, and thus supplemented their fare of pemmican and fish, there was no need of a marketing system for grain. But as grain production grew, as it became increasingly important that the gulf between bursting wheat sheaves on Canada's prairies and hungry mouths the world over should be narrowed to the thinnest gap, there developed a giant organism to do the work.

Step by Step, System is Built

Elevators, railways, banks, boats, marketplaces and sales organizations were needed and came into being one by one, shaping themselves to the need, changing, as time went on, in ideas and methods to insure continuing and expanding usefulness.

That the grain marketing machinery of the nation is the product of slow growth over a term of many years is a fact that should be carefully noted. To-day, there are those who point to this or that feature of its work as being, in their opinion, capable of improvement. But there are critics of the banking system; of the railway system; of the machine age in industry; of the capitalist system. Experience has never demonstrated that it is possible to effect a sudden and lasting reformation of any economic system. It is not possible to raze the grain marketing edifice of Canada and to establish a new one in its place that would function with one-tenth the precision and efficiency that characterize the historic system. This machinery is not beyond improvement; but improvement in the future, as in the past, will come from within and will thus be sound and permanent.

Growing on Sound Lines

The grain business has grown on sound lines; it is doing so to-day and will continue to do so despite occasional frantic attempts by public bodies to legislate the arrival of the millenium; despite mass movements inflated by rhetoric and floating in a cloudland of theoretical economics.

There are many working parts to this mighty machine of marketing that functions throughout the year to put the consumer's dollar in the farmer's pocket.

The grain grower himself is the primary factor in the grain trade. He sows the crop. He takes the biggest risks of ultimate success or failure. He spends a watchful summer, always keeping one eye on the weather reports as he goes about his daily round of duties. He harvests the crop, threshes it or has it threshed, and takes his wheat to the nearest point of shipment.

Country Elevator is Next Link

The operator of the country elevator accepts the wheat, either buying it outright, or handling it for the farmer. There are 4,500 of these country elevators in Canada, each representing an average investment of about $12,000. Three or four hundred new elevators are being built each year. They serve every grain-growing district on the prairies; they are the farmers' immediate point of contact with the grain buyers of four continents.

The railways transport the wheat to the lake terminals, to the ocean ports and to the milling centres. A colossal effort in traffic management is theirs. They must mobilize a vast array of rolling stock to be put to serious purpose when the rush of grain begins. The grain movement develops speed quickly. A thousand, two thousand, even four thousand cars of wheat must be loaded in a single day, in addition to other grains. Four thousand cars of wheat is enough, when milled into flour, to make all the bread that the people of three prairie provinces would themselves eat in six months. The equivalent of a train of cars forty miles long may be loaded in a single day. And having loaded the cars, the railways carry the grain—practically a one-way load with no return cargoes—at the lowest railway rate enjoyed by any major freight movement anywhere in the world.

Storage Elevators Join Effort

The great storage and handling elevators play their role. Rearing their massive bulks on the prairies, in ocean ports, and on the great lakes, these elevators provide storage space when the grain is not moving; provide facilities for blending different grades to produce a product that will bring the best price in world markets; supply means of drying or otherwise improving the condition of damp and unfit grain; and trans-ship the grain to the hulls of great vessels.

The lake boats, lean, low vessels of enormous carrying capacity attained at the sacrifice of strength and seaworthiness, eagerly line up at the lake terminals for their task of carrying the grain another few hundred miles on its journey.

Ocean vessels from the seven corners of the earth crowd Atlantic and Pacific ports, hungry for cargoes. Tramp steamers, with every color of crew, make for Canada the year 'round.

Other Forces at Work

Along the route, a dozen other agencies do their part. The banks find an enormous sum to supplement grain men's capital in financing the crop, enabling the farmer to spend a large part of the income from his fields weeks or months before the wheat is finally delivered to the ultimate buyer and paid for.

The Winnipeg Grain Exchange and smaller grain markets in other cities provide a meeting place for buyer and seller.

Brokerage and commission houses, mem-

(Continued on page 33)

Read These Articles on Canada's Grain Trade

Canada's largest single business is the growing, harvesting and marketing of its grain crop. This issue is devoted to telling the story of that great business. The issue covers every phase of the grain business, but lays particular emphasis upon the service rendered to the nation by the business units in the grain trade—the dealers in grain, the elevator companies, the milling companies, the transportation companies, the banks, etc.

Some subjects of particular importance that are covered are the following:

The Functions of the Country Elevators.
Services Performed by Terminal Elevators.
The Winnipeg Grain Exchange.
The Transportation of Grain by Rail and Boat.
The Canadian Wheat Pools.
The Flour Milling Industry of Canada.
Canada's Export Trade in Wheat and Flour.
The International Outlook for Wheat.
Speculation in Grain and Its Useful Function.
Trading in Futures
The Lake Shippers' Clearance Association.
Financing the Grain Crop.
The Grain Exchange's Radio Station.
The Future of Canadian Wheat.
Trading in Grain.

Winnipeg freight yards in grain-moving season

CANADIAN WHEAT POOL IS FIVE YEARS OLD

Co-operative Idea Has Not Brought Promises to Fruit

Wheat Pools Are Now Carrying on Extensive Campaign to Get Farmers' Signatures on Contracts Covering Next Five Years — Summary Given of Pool's Activities in First Period

On July 31, 1928, there will terminate the first contract period of the Alberta, Saskatchewan and Manitoba wheat pools. On that date the Alberta pool will have completed five years' of operation, and the Saskatchewan and Manitoba pools, and also the Central Selling Agency, the common selling agency of all three pools, will have completed four years. The contracts of all three pools expire at the same date. For many months the campaign for signatures to contracts extending over a new five-year period has been actively in progress, but figures showing signatures already obtained have not been announced. The length of time over which this campaign has already extended, as compared with the comparatively short period required to enroll the minimum membership in the first pools, would seem to indicate at least somewhat greater deliberation on the part of signers than was the case in the enthusiasm of the early stages of the movement.

Deliveries Less Than Acreage

The present membership in the three pools has recently been represented as being approximately 136,000 and the wheat acreage as approximately 15,500,000 acres. As the total acreage under wheat in the three provinces in 1927 was estimated at 21,425,000 acres, this would seem to indicate that fully 70 per cent. of the productive area was tributary to the pool. But the wheat actually delivered to the pool during the past two crop years has constituted only between 50 and 55 per cent. of the total deliveries.

Because all three pools are united in a common marketing organization, they are generally regarded as a single body under the name of the Canadian Wheat Pool. There are two standpoints from which the pool may be considered. The one is in its internal organization, its form of ownership and method of making payment to members, and the other is its relation to other marketing organizations and the part it plays in the general marketing system. With respect to the latter, which is perhaps of most direct interest in connection with a general review of grain trading as a whole, it was the declared object of the pool at the beginning to work out a system of marketing that would be different from the established system and would displace that system. Even within the past few weeks the U. F. A., the organ of the Alberta pool, has republished as one of the professed objects of the pool: "To replace the relatively inefficient competitive grain-trading system with a farmer-owned, farmer-controlled co-operative system." While the experimental stage of the pool movement cannot be said to have been completed, yet it is justifiable to draw certain conclusions from the results of 3 or 4 years of operation.

Merely Unit Now in Old System

So far as grain-handling and marketing methods are concerned, the pool has so far offered nothing new to replace the existing system but has continued to operate as one unit under that system. Mechanical facilities for handling grain in Western Canada have for many years been of the most highly efficient type, and handling in bulk and grading, which are both necessary for economical and successful marketing, were fully provided for. In these respects the pool has not attempted any change. The pool has also continued to observe in principle the methods of receiving the deliveries from farmers. It has been necessary for the pool to use all the existing machinery of the private grain trade at country points. Although the pool has been rapidly acquiring country and terminal elevators, the numbers it yet possesses constitute only a very moderate fraction of the equipment needed to handle the western crop. The private elevator companies were prepared from the beginning to handle wheat for the pool, and prior to 1927 yearly agreements were entered into, but in the present year the agreement was renewed for a three-year term. Under this agreement the private elevators will receive wheat from any pool farmer as street wheat, as wheat stored to grade, or as special binned wheat, just as they would receive wheat from non-pool farmers, and the elevator companies pay pool farmers the advance payment fixed by the pool, financing this payment on their own resources. The companies then forward the grain to Fort William-Port Arthur, and at that point deliver to the Central Selling Agency of the pool and collect from it the disbursements made with the commission allowed for services.

Use Private Marketing Facilities

The pool holds memberships in the Winnipeg Grain Exchange and makes use of all the facilities of that organization both in the cash and in the futures markets. Within the past few months the pool also has applied for and been granted a membership in the London Corn Trade Association, so that the pool trades under the rules, not only of the exchange in Canada, but under those of one of the principal exchanges in Europe. Export business is, of course, largely a matter of direct negotiation between exporters and importers. The pool sells direct to importers in other countries and also on the floor of the Winnipeg Exchange, according to its judgment, just as do other exporters. The development of the pool has, therefore, not so far effected any material alteration in methods of trading.

Comparative financing results under the pool are a matter of yearly controversy. The Central Selling Agency deducts from its gross receipts all costs and payments made, and at the close of the year hands to each of the provincial pools its proportion of the net balance remaining in accordance with the number of bushels marketed by pool farmers in each province. From the sums so handed over, certain further deductions are made by the provincial pools, and the balance then remaining is distributed to the farmers on a bushel basis. The net sums handed over by the Central Selling Agency include the proceeds of sales made at the terminal elevators at Fort William-Port Arthur, of sales made east of the lakes, at the seaboard, and at European ports. They also include profits on mixing, profits on overages, if any, and profits on terminal elevator operations. One difficulty in appraising the pool's financial results is that there is no open market quotation which represents the net result of all these operations or functions. Fort William prices, as quoted on the Winnipeg Exchange, are primary market prices before the export function or mixing operations, etc., are conducted. The trade has each pointed out that the mathematical average of the daily primary market prices has been even higher than the combined pool basis, which includes additional operations performed with the capital and credit of the farmers. The pool regularly replies by objecting to the use of an unweighted average. There is no apparent absolute statistical test to apply.

Pays Farmer in Four Instalments

The pool is chiefly distinguished from a private trading company by its methods of making distribution to those farmers delivering their wheat for sale. The non-pool farmer receives the price current on whatever day he orders his wheat sold. The pool farmer receives the average net price realized by the pool on that grade of wheat during the year, no matter when that particular farmer's wheat was delivered or whether it really brought the high price of the year or not. The non-pool farmer can secure an advance from an elevator company on delivery and will receive

(Continued on page 31)

Took Years to Build; Should Guard Trade

The biggest factor in the advance of the wheat pool has been the fact that it answers, in a way that satisfies many farmers, the question, "Why shouldn't the farmer market his own wheat?" Such is the opinion of a western newspaper man, who says further:

"The wheat pool does enable the farmer to market his own wheat, but in itself that it is not an advantage.

"The farmer asks why should he not market his own wheat? There is a very good reason why he should not. If he does that and attempts to eliminate the existing agencies for wheat marketing, he will lose the experience and background of many years of service that stand behind the grain trade. Grain marketing machinery did not spring up overnight. It grew up during many patient years of trial and error to achieve scientific precision. When the farmer attempts to throw all that overboard, he is running into the danger zone. He is losing more than he is gaining. And so is the country."

Wheat Pools Were Organized to Promote "Orderly Selling"

Basis of Business Is Five-Year Contract With Farmers, Supplemented by Contracts With Elevator Companies, Membership in Grain Exchange and a Central Selling Agency

Why the wheat pools?

From the literature of the pools one learns of the ideas in the minds of those who promoted it.

First, to quote from the handbook of the Saskatchewan Co-operative Wheat Producers:

> The wheat pool "is a plan for the orderly marketing of Saskatchewan wheat and involves substitution of controlled selling for 'dumping.' "
>
> "Dumping" is defined as "the condition of forced and competitive selling, by grower against grower, irrespective of the absorbing power of the market, which occurs every fall as a result of pressure from creditors and the need for money to carry on. The 'broken market' which this condition inevitably brings about, not only affects the Canadian producer very seriously, but also tends to determine the price levels of wheat from other countries coming on to the market after Canada, as Canada is the largest wheat exporting country in the world.
>
> "The object of the wheat pool is to overcome this condition by giving the grower an advance of money at the time he delivers his wheat, in order to meet pressing obligations; and then to sell the wheat as it is needed, or asked for, by the buyer. Competition is thus set up between buyers instead of between growers. This is called 'orderly marketing' or 'merchandising.' "

Three Wheat Pools in All

There we have the object of the wheat pool, which is to substitute orderly marketing for alleged "dumping."

Three wheat pools, one for each province, and two coarse grain pools, have been organized.

By what means have the wheat pools set out to achieve their purpose?

First, they drew up an iron-clad contract to bind joining farmers for five years. Let us quote A. J. McPhail, president of the Saskatchewan pool, in description of this contract:

> "A five-year contract was drafted by Aaron Sapiro much along the same lines as that already in use amongst the California growers and growers of other commodities, who have organized along similar lines. I may say that the whole structure of the organization is based on this five-year contract between the grower and the pool. It is a binding contract by which the grower pledges himself to deliver every bushel of wheat which he owns or controls during the life of the contract. There was a doubt at one time in the minds of some people as to whether or not the contract could be enforced. That doubt has been dispelled by a decision handed down by the Appeal Court of Saskatchewan in connection with the case of a member who sold his wheat outside the pool, and which we were compelled to bring before that body. Members of the pool know to-day that if they sell any of their wheat outside the pool, they are liable to have to pay the organization 25 cents a bushel, liquidated damages, which is provided for in the grower's contract."

Enter Into Elevator Contract

The second step in the wheat pool organization was to enter into a contract with the elevator companies. The pool had no elevators to handle the wheat of its farmer members. So it entered into a contract with the elevator companies who undertook to accept pool wheat, make the advance payment to the farmer from their own friends or from funds obtained upon their own credit and to deliver the wheat to the terminals where the pool would take it over. The pools, by purchase and construction, have obtained control of 720 country elevators and own or lease terminal elevators. However, they are still largely depending upon the facilities afforded by the private grain corporations.

The pool had to have means also of marketing its grain and clearing it down the lakes. It joined the long-established Winnipeg Grain Exchange. It joined the Lake Shippers' Clearance Association.

Form Central Selling Agency

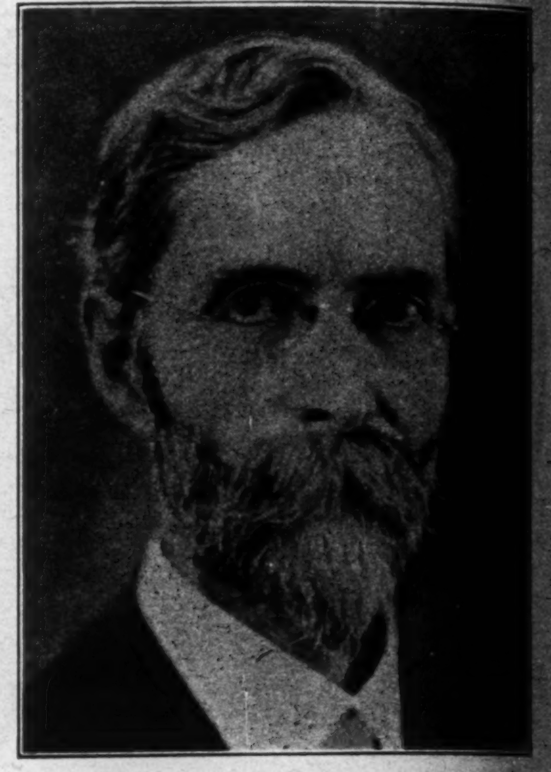
A central selling agency was formed to handle sales for all the pools. This also has been described by Mr. McPhail:

> "When organizations were complete in the three provinces we proceeded to establish a central Canadian body, in order to eliminate any possibility of competition in selling between the three provinces, and in that we were successful. To-day we are not selling Manitoba wheat or Saskatchewan wheat or Alberta wheat as such, but Western Canadian wheat. The Canadian Pool Board is composed of nine members—three elected from each provincial board. These nine men constitute the governing body of the Canadian Co-operative Wheat Producers, Ltd., or what is more widely known as the Central Selling Agency. Each provincial pool has a contract with this agency, in which they agree to deliver to that organization all the grain delivered to them by the farmers.
>
> "By means of this form of organization, a contract signed by the farmer, pledging himself to deliver all his wheat to the provincial pool, and in turn the provincial pool agreeing to deliver all such grain to the central body, we have to-day in Western Canada one Central Agency which is selling the wheat of approximately 138,000 farmers in exactly the same manner as if it all belonged to one man. In other words, we are now in a position to merchandise that quantity of wheat in the same manner as a manufacturer, or any other business man who has something to sell."

The pool, of course, had to finance its advance payments to the farmers. It obtained credits from the banks. These enable it to finance such wheat as it handles in its own elevator system, wheat that has left the head of the lakes, en route to the ocean ports, and export wheat. But, to a large extent, the resources and credit of the private grain trade finance pool wheat from farmer to terminals.

That, in essence, is the wheat pool. How well it has succeeded is a matter of much controversy. A number of articles in this issue discuss wheat pool aims and results at length.

Benefactor of West



DR. CHARLES E. SAUNDERS,

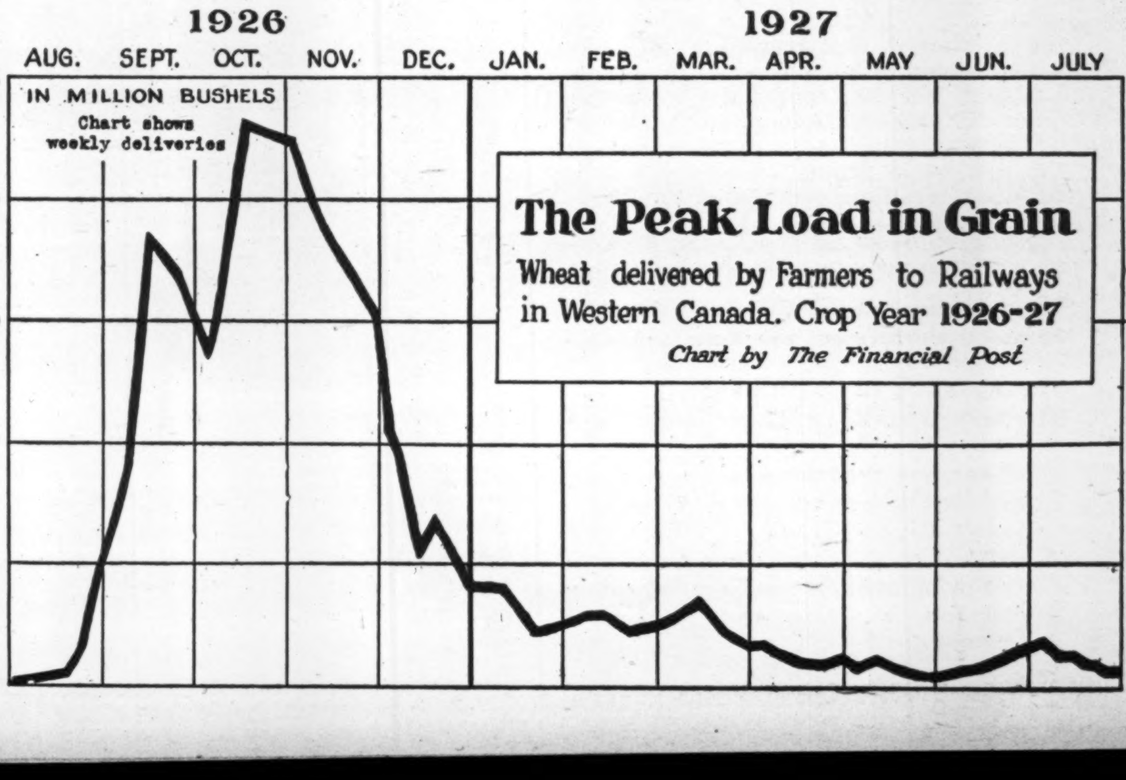
for many years Dominion cerealist, who discovered Marquis wheat, and later, Garnet wheat.

Dr. Charles Saunders discovered Marquis wheat in 1904. The yield from the first experiment was less than a pound of grain, and this was stored away one winter in a paper package. But this handful of wheat has developed into successive crops that can only be measured in ten numerals of bushels.

His newer achievement, Garnet wheat, is yet to be proven, but may shorten the growing period in some western areas. Garnet wheat will not displace the equally famous and much older Marquis wheat. The yield per acre is not higher except in certain districts; the milling and baking qualities have not been proven to be markedly better. But Garnet is a harder wheat and a faster ripening wheat, and for these reasons may be a boon in certain sections. Those who have developed it are claiming modest achievements for it.

Dr. Saunders' father was the first director of the Dominion experimental farm system.

The work of Dr. William Saunders and his two sons, Dr. Charles Saunders and Dr. A. P. Saunders, particularly that of Dr. Charles Saunders, has added millions of dollars monthly to the income and wealth of Western Canada, and has done so for over two decades.



The Peak Load in Grain

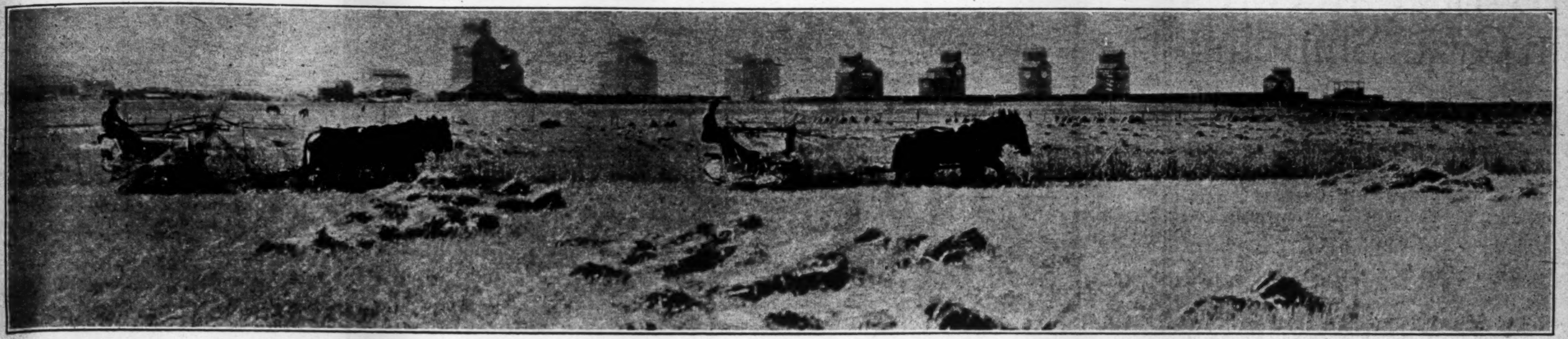
Wheat delivered by Farmers to Railways in Western Canada. Crop Year 1926-27

Chart by The Financial Post

COLLECT $23,000,000 FROM SAMPLES

Whenever a car of grain is inspected at Winnipeg or other inspection centre, a few handfuls are withdrawn and sent to the office of the Dominion government inspector. The amount taken from any one car is very small, but at the end of the season, when the inspection offices comes to sell the grain, they make quite a tidy revenue therefrom. The last annual report of the Board of Grain Commissioners shows a revenue of $23,372.72 shown under "samples sold."

Country Elevators Comprise Greatest Public Utility



The sky-line of Vulcan, Alberta, great grain-producing area, where a few years ago the gophers and coyotes ruled supreme. Nine country elevators serve the farmers around Vulcan. The photograph is excellent evidence of the service the grain trade gives the wheat-farmer. Vulcan is but typical of hundreds of districts. Photograph from C.P.R.

4,500 Elevators for Service to Farmers; Hundreds Going Up

Investment of $50,000,000 in Country Elevators in Western Canada Represents Contribution of Marketing Organizations to Business of Getting Canadian Wheat Started on Way to Market

One of the greatest public utility systems in Canada is represented in that vast chain of country grain elevators that stretches across the prairie and serves practically every rural district in the three Prairie Provinces.

There are over 4,500 country elevators in the West.

These elevators touch over 1,800 different points.

About 350 new country elevators have been built during the past year. About 300 or more will be built during 1928.

Each one represents an average investment of about $10,000.

By the end of 1928, therefore, there will be $50,000,000 of capital invested in country elevators in the three western provinces.

All is Private Money

Every cent of it is private money. Outside of loans, subject to repayment, there is not a dollar of provincial or federal funds so invested. Much of it is money invested by farmer-owned associations or companies like the wheat pool or the United Grain Growers Company, but even all this is private capital, despite its quasi-public nature. The grain elevator business of Western Canada is one of the great privately-owned and operated public utilities of Canada and is one of the most efficient.

The country elevators of the West are a familiar sight to every man who has travelled across the country by rail. Wherever the train stops there is one or more of these elevators. At some small towns there are several; almost, it seems, more elevators than houses. Most of them look alike. They are not handsome, but they are exceedingly utilitarian. They are landmarks to prairie wealth. Their exact function remains a mystery to most easterners who travel westwards. They have something to do with wheat and that is the extent of most people's understanding of them. Yet without them wheat could not move to market with facility and dispatch.

CAPACITY OF GRAIN ELEVATORS IN CANADA
1900 - 1927

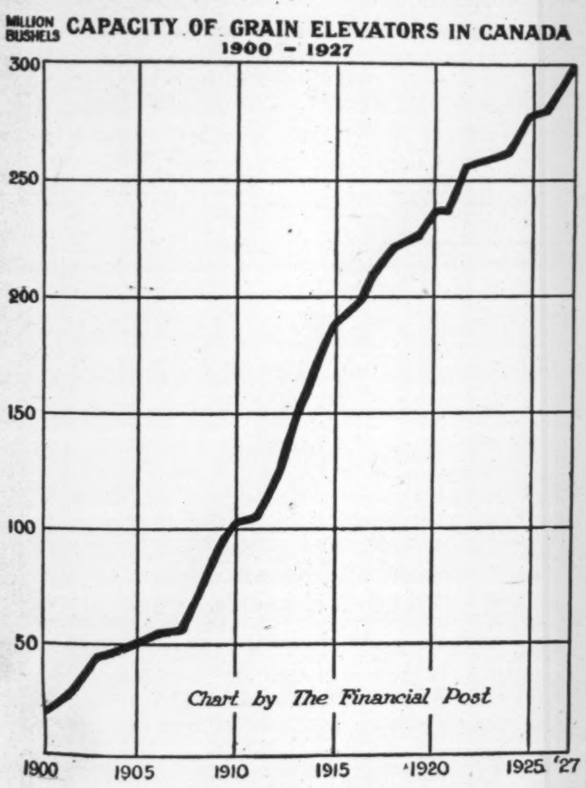


Chart by The Financial Post

Provide Local Grain Market

The country elevator is the first point of contact between the grain grower and the grain trade. The farmer brings his wheat to the nearest railway station. At this station the elevator agent is the man with whom he deals. He may sell his grain direct to the elevator; he may, on the other hand, merely use the facilities of the elevator for storage or for shipping. To a large extent, though, the country elevator may be regarded as the local grain market. It furnishes facilities for weighing, for short time storage and shipping. But its important function is to buy grain.

In most cases—wheat pool elevators being among the exceptions—country elevators have been built by grain buyers. They exist to enable him to weigh, handle and ship his own purchased grain. The operator stands at all times ready to buy grain direct from any farmer who desires to sell and to buy it at the current "street" price. We will discuss the making of this price later. The country elevator is a market for the grain hauled direct from the farm by the wagon load. It marks a great advance upon the primitive system of the early days when wheat was brought to the railroad in sacks and stored in sheds.

Cash on Spot for Farmer

The method of buying is simplicity itself. The operator and farmer agree upon the grade and the price. The grain is unloaded, weighed and run into the bin. The farmer receives a cash ticket in a form that has been prescribed by the Parliament of Canada. He takes this cash ticket to the paying agent of the elevator operator, usually the local bank branch or a merchant, and receives cash. His transaction is completed and he has his money.

This is the picture when the farmer sells to the elevator company: In the case of grain delivered by a pool farmer, the elevator company makes the initial payment, as established by the Pool, in cash to the farmer, and finances this grain with its own money until the grain is delivered at the terminal point. Here it is turned over to the pool, and they reimburse the elevator company for the initial payment made, plus the handling margin agreed upon. Any subsequent payments the Pool may declare are paid direct to the farmer during the following year.

Farmer May Ship on Own Account

If a farmer decides not to sell his wheat, but wishes to store it in the hope of obtaining higher prices, he may ask the elevator operator to issue him storage receipts. Or the farmer may prefer to ship his wheat himself if he has a carlot or more, and he may ship it forward to the terminal markets, and the cars will be graded by the government inspector at some inspection point such as Winnipeg, Calgary, or Edmonton.

In cases where the farmer and the elevator operator cannot agree as to the correct grading of the grain, the law provides for the taking of an average sample by both the interested parties, same to be sent under seal to the chief inspector at Winnipeg. Then the grading of the parcel is determined by the inspector's grading of the sample.

Law provides that operators must make their facilities available to all farmers at prescribed fees even if the farmer later sells his grain to a rival dealer.

This may seem at first glance to be rather hard on the elevator operator. But it must be remembered that the government of Canada looks upon the elevators as public utilities and prescribes the most stringent regulations governing their operations, besides making them "common carriers," forced to serve all who come. Some time ago, a United States government publication remarked with absolute truth: "It is well within the mark to say that in no other country are farmers given, by law, the wide privilege in respect to the use of elevators they do not own that they enjoy in Canada."

Chief Function is Buying

But the warehousing function is subsidiary to the merchandising function in the business of the country elevators. Experience has shown that there is not a big profit and possibly a loss in the warehousing operations of country elevators at the rates set by the government. The country elevator is primarily a buyer's plant, built by the grain buyer to enable him to collect from many different points a sufficiently large quantity of grain to fill his needs. The grain buyer considers the country elevator merely one unit in his chain of service. On the combined operations of his country elevator and his terminal elevator he hopes to make money. But the country elevator may be a losing proposition, just as a branch line of a railway or street car system may lose money. The country elevators are feeders.

We find then that the biggest service of the country elevator to the farmer is the provision of an immediate cash market for his grain at the nearest shipping point to his farm. And the next service is to provide him with facilities for shipping his grain if he is not prepared to sell.

Country Elevators in Western Canada

	Stations	Elevators	Capacity in Bus.
Manitoba ...	380	671	20,603,800
Saskatchewan	929	2,688	84,997,400
Alberta	460	1,078	40,983,000
	1,769	4,427	146,584,200

In addition there is one elevator of 40,000 bushels' capacity in Ontario and one of 15,000 bushels' capacity in British Columbia.

Consider what this cash market means to the farmer. He can haul his wheat five, ten or fifteen miles, deliver it, and collect one hundred cents on the dollar of the value of his product immediately. Of course, this only applies to grain sold to the independent elevator operator and not to grain sold to the wheat pool, where he collects only the initial payment. In no other commodity produced on the farm is there a similar assured market. If the farmer could sell his live stock, his eggs, his butter and his other produce in such a simple manner and at a price governed ultimately by world conditions, his problems would soon disappear.

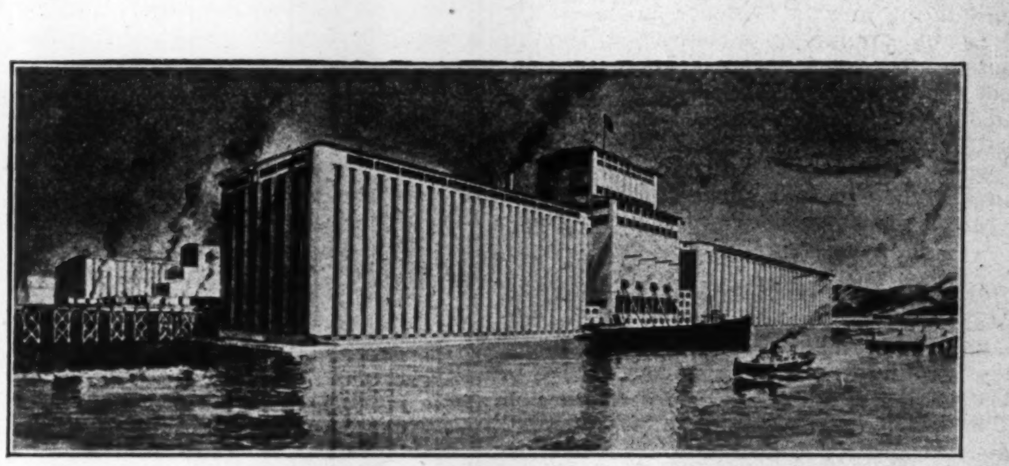
Always a Cash Market

There is no day in the year when the farmer cannot sell any grain he has on hand and collect his money. And he is always assured of a square deal. Competition assures that. And government regulations mark the lines the transactions must follow. Government bodies fix the standards for grain. The press, the radio and the telegraph wires keep him posted as to the price of grain. The railway rates are fixed so that he knows what deduction must be made from the current quotation to get his grain to the point where the prices all become uniform. The market is highly competitive. The farmer does not have to accept the price offered if he thinks wheat is low on the day he reaches the market. He can store his grain and receive an advance from the elevator man, or, as explained, he can ship it to the terminal elevator himself.

Line Elevator Companies

In the main, the country elevators are operated in chains or lines. The line elevator companies are organizations owning large

(Continued on page 29)



Elevator at Port Arthur, Ontario for United Grain Growers Ltd.

Capacity 5,500,000 bushels.

Designed by and built under the supervision of C. D. Howe & Co.

C. D. Howe & Company

Consulting Engineers

7th Floor Whalen Bldg.

Port Arthur Ontario

Vancouver Out to Beat Records in Grain Shipping

By CHARLES L. SHAW

VANCOUVER.—The wheat movement to the coast is at its height, and some indication of its volume is given by the recent announcement of the Merchants' Exchange here that more than one hundred steamships were booked to load grain here during the months of November, December and January. This means that more than one vessel will go under the spouts each day.

Whether Vancouver will be able to beat its record of 1924-25, when 55,000,000 bushels of wheat passed through Vancouver from the prairies, remains to be seen; but one thing is certain—the port is better equipped than ever to handle the grain flow. When the record was made, Vancouver had only one big elevator in operation. Now it has half a dozen.

Presaging further important developments in the grain-handling business here, the Alberta Wheat Pool recently awarded a contract for the building of excavations for a $2,000,000 elevator which will have a capacity of 2,400,000 bushels. The new elevator will be the largest in Vancouver. The Alberta Wheat Pool is already operating here, leasing the Vancouver Harbor Board's elevator No. 2.

The Alberta Pacific Grain Company already operates two large elevators in Vancouver. There are other elevator interests as well here.

Canada's Golden Future is in Wheat More Than in Mines

Canada's golden future lies more in her wheat fields than in her mines, in the opinion of the American Banker. In a recent editorial this publication said:

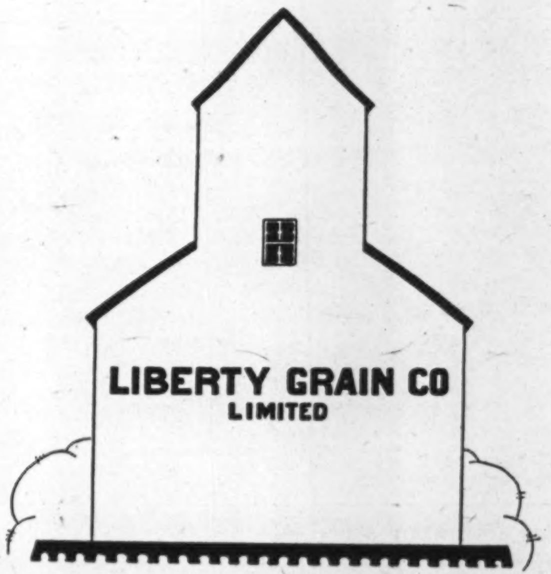
"In one or more addresses delivered before Canadian business organizations, Sir Reginald McKenna, chairman of the Midland Bank, Ltd., of London, the largest commercial bank in the world, made the statement that Great Britain is looking to the Dominion as the future source of supply of gold, and, furthermore, in his belief, Canada at some future day would exceed England in wealth and importance. Assertions of this character coming from so conservative an authority are apt to command respect, but they do not surprise those who have been paying attention to the miracle of nation-building now in evidence to the north. So far as gold production is concerned, Dominion possibilities have scarcely been touched. It is not generally appreciated that the world's second largest gold mine of sustained production is located in Canada, and that the Dominion's production, as areas to the north are being developed, will soon place Canada in the front rank as a source of world gold supply.

Miracle of Wheat Expansion

"But while gold production of itself may be important, the real golden future of Canada lies in her wheat fields. The western provinces are now sending to market what may prove to be a crop that will equal the record production of 1923, which means a total of 475,000,000 bushels. According to Canadian Pacific Railway figures Canada last year exported over 251,000,000 bushels of wheat worth nearly $350,000,000, this exclusive of wheat flour shipments worth over $9,000,000. What this means to a nation of not more than 10,000,000 population needs no elaboration.

"The real miracle in Canada has been this wheat production expansion. Modern agricultural science is at the bottom of it. The problem which Canada faced was to find a hardy grain that would mature quickly in the long hours of sunshine of a northern latitude. The Marquis wheat supplied this need and, as a result, the wheat belt has been creeping north until it has reached latitudes that only a few years ago were regarded as far beyond the possibility of cereal production. That the story is only beginning is shown in the successful production of even hardier grades of wheat that mature earlier than the Marquis wheat and which yield to the extent of 40 bushels and more to the acre. It is no idle dream that the limit of wheat growing is approaching sub-Arctic regions. Sir Reginald was well advised in making his assertions and prediction. With the decreasing export surplus of the United States, due to increasing domestic consumption, Canada is becoming the bread basket of Great Britain.

"To bankers, aside from the economic questions arising out of production, the interesting fact is that the vast commerce promoted by reason of these developments is being carried on by not more than a dozen banks with nearly 4,000 branches. To make the situation plainer it might be said that if the Canadian banking system was in force in the United States, this country would have probably 140 main banks, with a multitude of branches that would exceed the number of individual units now operating as independent banks. There is no possibility that this will occur, but how the Canadian banks will handle the problem of a fast growing commerce and a necessarily growing number of branches will be watched on this side of the line with much attention."



COAL GRAIN

This sign on an elevator in the Prairie West
is a **Guarantee** of **Proven Service** to **Customers.**

LIBERTY GRAIN COMPANY LIMITED

COUNTRY ELEVATOR OPERATORS

HEAD OFFICE WINNIPEG, MANITOBA

SEARLE
GRAIN
COMPANY
LIMITED

COUNTRY ELEVATORS COMMISSION MERCHANTS

HEAD OFFICE
WINNIPEG

A. L. SEARLE,
President

Home Grain Company
LIMITED

Grain Commission Merchants

Members
WINNIPEG GRAIN EXCHANGE
CALGARY GRAIN EXCHANGE

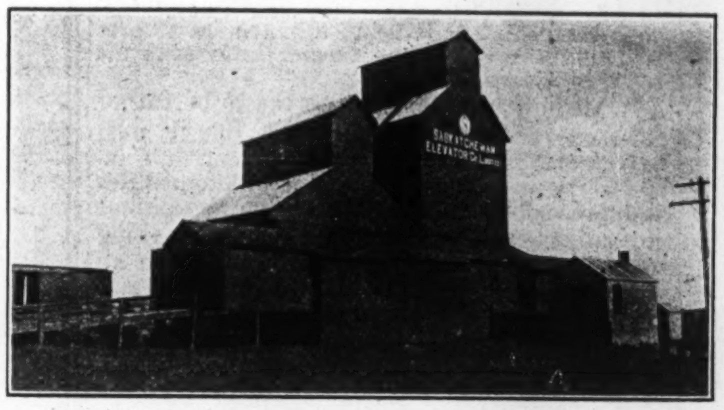
OUR HANDLING SERVICE—
FORWARDING PRODUCERS'
GRAIN TO PACIFIC COAST
OR LAKE SUPERIOR
MARKETS—

Head Office
WINNIPEG, MAN.
909 Grain Exchange

Branch Offices
CALGARY, ALTA.
503 Lancaster Bldg.

EDMONTON, ALTA.
712 McLeod Bldg.

Unexcelled Facilities for Handling Your Grain



Our Experience, Service and Financial Standing Means Safety and Satisfaction.

Elevators Located in
MANITOBA, SASKATCHEWAN AND ALBERTA

Saskatchewan Elevator Company
LIMITED.

Head Office: Grain Exchange Bldg., Winnipeg, Manitoba

CANADA LEADS ALL COUNTRIES IN WHEAT AND FLOUR EXPORTS

In Past Five Years We Have Taken First Position in Exports of Wheat and Second Position in Exports of Flour, Due to Rapid Increase in Production of Wheat

Canada exports more wheat and flour than any other country in the world. It is, however, only in the past five years that Canada has definitely established itself in the first position as an exporter. In the five years immediately preceding 1922-23 the United States was the largest single source of supply for importing countries, while before the war Russia stood first, with the United States second, the Argentine third and Canada fourth.

Canada has gained first place, not by virtue of a decline in the exports of its chief competitors, which, with the exception of Russia, are all exporting more than before the war, but because Canada's production of wheat has increased faster than that of any other country. In the 10 years prior to 1914 Russia held first place with average exports of only 140 million bushels, while in the last five years Canada has exported an average of 287 million bushels per year. Exportable surpluses as large as those Canada has had during this period have never previously existed in any country.

First in Four Out of Five

If single years are considered, Canada for the first time led the world in exports of wheat and flour in 1915-16 and for the second time two years later, in 1917-18. In four out of the five years, 1922-23 to 1926-27, Canada has stood first by substantial margins. The United States, with a good crop, exported more than Canada in 1924-25, when Canada had a poor crop. In three of the other four years the United States stood second to Canada, but in 1923-24 that place was held by Argentina.

Accidents of weather may affect different countries very differently in any one year and an average of several years is the only satisfactory basis of comparison. On the average during the past five years the net yearly exports of wheat and flour of the six principal exporting countries have been as follows, in round figures:

Canada	287	million bushels
United States	174	" "
Argentina	132	" "
Australia	86	" "
Russia	21	" "
India	17	" "

Far Above Nearest Competitors

It will be noted that Canada's average has been more than 100 million bushels per year larger than that of the United States and has been over twice that of Argentina and over three times that of Australia. The gross exports of the United States averaged over 191 million bushels per year during this period, but imports of wheat from Canada, the greater part of which was milled in bond and exported as flour under United States brands, must be deducted to show the real contribution of that country to the export trade. Imports are insignificant in the other countries in the above list. Russia's production of wheat and its exports are still far below prewar quantities and India unfortunately had three poor crops in the last five years so that its average exports for the period were below normal.

The total quantity of wheat and flour which enters into international trade in any year is dependent, partly upon the size of the world's crop as a whole, but very largely upon the distribution of that crop as between the countries which grow surpluses and the countries which produce less than they consume. Two successive world crops may be almost of the same size, but in one year crops of the deficiency countries may have been above average, while those of the chief exporting countries may have been below average, and in that year the quantities of wheat and flour moving in international trade will be smaller than in a year when the exporting countries have large surpluses and the importing countries have smaller local supplies. The most complete returns of exports of wheat and flour for all countries during the past five years show that the yearly quantities have ranged between 700 and 850 million bushels per year. In the years in which Canada has had the largest surpluses, such as 1923-24 and 1925-26, over 40 per cent. of the world's exports have been supplied by this country and for the last five-year period Canada's average contribution has been something like 35 per cent.

Second as Flour Exporter

Of the world's aggregate exports of wheat and flour very much the larger proportion consists of wheat, the ratio being about four bushels of wheat to the equivalent of one bushel in the form of flour. As an exporter of flour the United States has stood easily first for more than fifty years. For many years Canada has occupied the second place, and her flour exports have shown a steady tendency to increase from period to period, while those of the United States in recent years are smaller than they were thirty years ago. In only one year, 1925-26, has Canada ever exported more flour than the United States, and this was because of the very small domestic supply of good milling wheat the United States had in that year.

During the past five years the average exports of flour by the United States has been 13,806,725 barrels per year, while Canada's average has been 10,667,811 barrels per year. The United States exported less flour in that five years than in the immediately preceding period. Included in the United States exports were at least two million barrels per year milled in bond from Canadian wheat.

Canada exports wheat or flour, or both, to some 90 different countries. Flour goes to more than 80 countries and wheat to about 50 countries. Shipments of Canada's exports to overseas countries are made from both coasts of North America, and on the North Atlantic coast from all the principal ports of the United States as well as of Canada.

Golden Flow of Grain is Not Idle Phrase

There is no more hackneyed commercial phrase in Canada than the "golden flow of grain." Yet, like all phrases that lose much of their terseness by being overdone, this one is a fine description of the action it attempts to describe.

In Canada, grain does indeed "flow." It "flows" from the thresher into the farmer's wagon. It is conveyed by mechanical means from the wagon to the country elevator from whence it is poured into railway cars. It is sucked out of the cars (or perhaps poured out) into the grain elevator. Into the lake boat and out into the ocean boat all the different systems of handling involve the "flowing of the grain."

In other countries grain is handled in bags, as it was once in Canada. But on this continent grain "flows," giving verity and point to a phrase that is apt to be accepted idly.

4,500 Elevators for Service to Farmers; Hundreds Going Up

(Continued from page 27)

numbers of elevators scattered at many different points. These all operate under one management and the economies induced make profitable operation possible. The independent, individual elevators are but a small proportion of the total.

There are 4,437 country elevators in Western Canada. The figure indicates the number of licenses issued for the grain year 1926-27. The larger owners are as follows:

Line Companies With 10 or More Elevators

Alberta Pacific Grain Co.	315
N. Bawlf Grain Co.	112
Beaver Elevator Co.	28
British America Elevator Co.	120
Brooks Elevator Co.	46
Crescent Elevator Co.	15
Canadian Elevator Co.	87
Central Grain Co.	53
Conger Sanborn Co.	10
Dwyer Elevator Co.	10
Dominion Elevator Co.	52
Ellison Milling & Elevator Co.	14
Fraser Grain Co.	10
A. Forsythe & Co.	11
Federal Grain Co.	75
Gillespie Grain Co.	56
Home Grain Co.	79
International Elevator Co.	46
Independent Grain Co.	14
Liberty Grain Co.	30
Malden Elevator Co.	11
Matheson-Lindsay Grain Co.	27
Midland Grain Co.	35
McLaughlin Elevator Co.	41
McCabe Elevator Co.	22
McCabe Brothers Co.	22
National Elevator Co.	111
North Star Grain Co.	88
Northern Elevator Co.	78
N. M. Paterson & Co.	97
Parrish & Heimbecker	27
Peaker Gibson Grain Co.	33
Province Elevator Co.	89
Pioneer Grain Co.	151
Saskatchewan Elevator Co.	79
Searle Grain Co.	30
Standard Elevator Co.	27
State Elevator Co.	68
Saskatchewan & Western Grain Co.	38
Stewart Grain Co.	16
Scottish Co-operative Wholesale Society	15
Spencer Grain Co.	44
Security Elevator Co.	117
Topper Grain Co.	28
Union Grain Co.	19
Victoria Elevator Co.	52
Wiley, Low & Co.	20
Western Elevator Co.	67

Wheat Pool Elevators

Manitoba Pool	30
Alberta Pool	42
Saskatchewan Pool	586

Private Company, Farmer-owned

United Grain Growers Co.	389

Milling Companies

Lake of Woods Milling	115
Maple Leaf Milling	56
Ogilvie Flour Mills	168
Quaker Oats Company	20
Western Canada Flour	85

Cost $12,000 to Build

Country elevators are not buildings of great beauty of line or architecture. Theirs is a life of service and they are designed for the efficient and economical handling of grain. Costs of construction are kept as low as possible. The average investment in each is about $12,000. The wheat pool is building more luxurious $20,000 elevators. $12,000 provides an elevator of 30,000 bushels capacity. The annual cost of operation is likely to be just over $4,000 for each elevator. It is pointed out that country elevators have never averaged 100,000 bushels each of grain handled in a season, although this figure is probably the bare minimum of the amount necessary to pay expenses if the country elevators are to be considered as business institutions. Some elevators make money; most of them do not, but have their value in enabling grain buyers to get the grain they need.

Grain in the country warehouse is good bank security, and each year the banks of Canada lend enormous sums upon this grain. In addition to their own working capital, the line elevator companies must have large lines of credit from the banks to finance the grain they purchase until such time as they ship this grain to the terminal markets and turn it into cash.

Then, again, the elevator companies advance enormous sums of money to farmers who do not wish to sell outright for cash at the time, but who wish to store their grain for the object of obtaining higher prices later on.

When the elevator companies borrow, they secure their loans by deposit with the bank of negotiable papers that are receipts for the grain in store. The banks are interested, however, in maintaining the financial position of their borrowers and in insuring themselves against loss in their security. They, therefore, demand as a prerequisite that the borrower shall "hedge" his purchases, that is, as he buys grain from the farmers day by day he must sell an equivalent amount for future delivery at the time his grain is likely to reach the market. As the elevator operator secures cars he ships his purchased grain, sells it at the spot or cash price and buys back his futures.

Future Trading is Essential

It is apparent from this that trading in futures on the grain exchange is a valuable and essential feature of the operation of the public utility of the grain trade. The cost of "hedging," in commissions and margins, is but a small tax to pay for the stability provided.

Some explanation should be given of the disparity in the price at which wheat is quoted on the Winnipeg Grain Exchange and the price which is actually paid to the farmer who drives up to the local elevator and sells for spot cash.

Fort William Price is Basis

Obviously, some basis of value must be adopted. Wheat at one spot in Western Canada is not of the same value as wheat at some other spot. If that were true the farmer nearest to markets would sell his grain and the farmer further away would not. And so the basic price for wheat is the value of a bushel of wheat in store at the heads of the Lakes, at Fort William. When the price of wheat on the Winnipeg Grain Exchange is quoted this is the price that is inferred. The price of wheat at any other point is that price less the cost of getting it to Fort William. The wheat price that gets into the newspaper headlines is the price of No. 1 Northern, the best general grade, although there are several "contract grades" quoted and some 200 actual grades. All wheat does not grade up to the high level and the lower grades receive prices that are scaled down accordingly.

Four different prices are recognized for wheat. There is the Fort William price mentioned—the spot price. There is the price of wheat that has not reached Fort William, but which has passed through Winnipeg and been inspected. Then there is grain on the track at interior points and grain on the street—that is, in the wagon ready for sale, but not yet poured into the elevator.

The difference between the street and track prices and between street and spot prices is called the "spread" and the spread is the bugbear of the Western farmer. It has led to much confusion and misunderstanding, and at times to ill-feeling.

What Constitutes "Spread"

It is universally considered sound that street prices must be less than spot price by:

The freight to Fort William;

The cost of handling the grain in the country elevator;

Provision for the risk of loss in grades; and

A reasonable profit to the country elevator.

Unfortunately, the elevator operator cannot immediately ship grain that he receives. The necessity of taking his turn in getting cars from the railroads and a number of other factors make it necessary for him to hold much grain in store for a long period. During that interval his capital is tied up, his interest, insurance and other costs are mounting, and he is running risk of loss in grades. Obviously, he must consider these factors when he tells the farmer what he will pay him for his grain.

There is competition between country elevators and this tends to prevent any attempt to beat down the farmer's price unfairly. A very real competition exists from the "platform." This is a loading platform provided by the railways. If he wishes, the farmer may get a car from the railways, load into it directly and save elevator charges. Less than ten per cent. of the grain is handled in platform loadings, but this ten per cent. is a real factor in competition.

Millers Operate Elevators

Most of what has been said applies to the independent operators. The millers and malsters, as will be seen by a glance back to the table earlier in this article, own and operate several hundred elevators which are in direct competition with the independents. These elevators exist to enable the milling companies to buy their supplies of wheat direct from the producers.

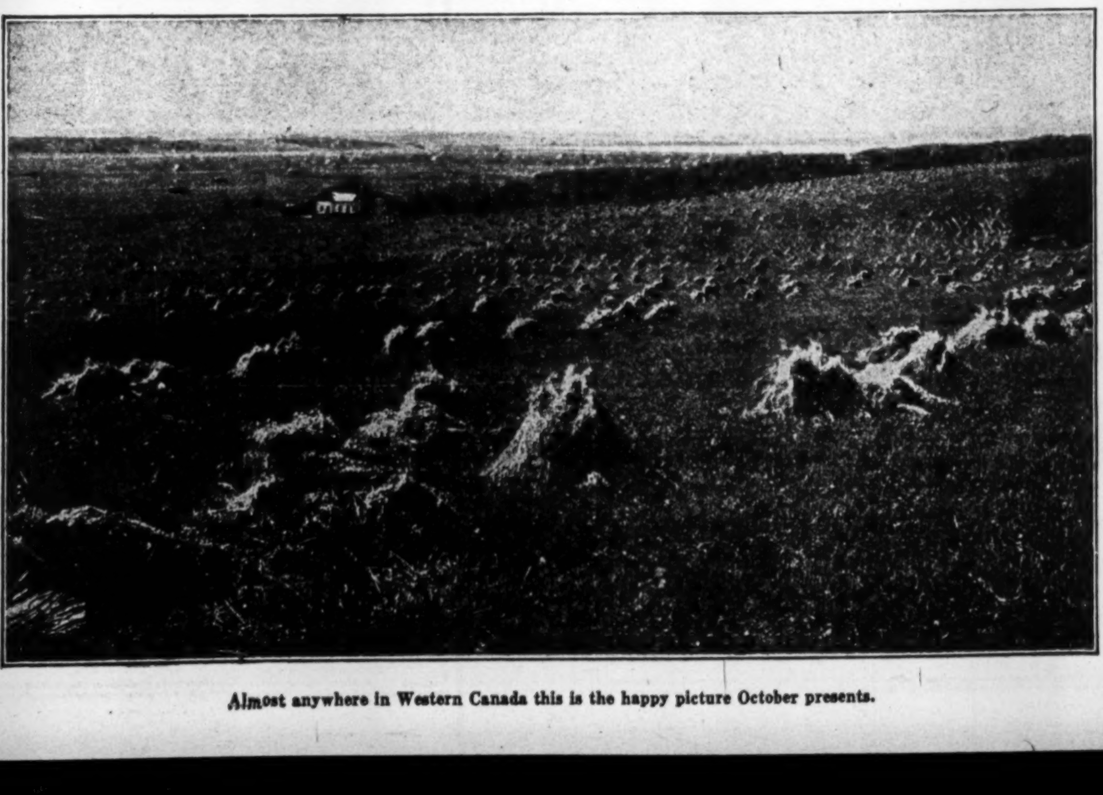
Another class of owner is the farmer-owned company. The Saskatchewan Co-operative Elevator Company was the largest operator of elevators in Canada, but it sold out last year to the wheat pool and now the United Grain Growers is the one large farmer-owned elevator company in existence.

Wheat Pool Elevators

The wheat pool now operates elevators and is building many more. But the wheat pool also uses the facilities afforded by the independent elevators who have continued to handle wheat pool wheat without fear or favor. The pool still depends largely upon the independent elevators for service. It will likely continue to do so. It could not have come into existence and continued in existence without the service it has received from these companies who handle pool grain at the usual fees and even make cash advances equivalent to the first pool payment. The grain trade goes further than the law requires in this because it feels that its first duty is to serve the farmer, whether he be a member of the pool or not.

The country elevators are all licensed by the Dominion Government. Their every activity is hedged about by stringent regulations and all of their charges are fixed by law. No other public utility in Canada is under such strict control.

Familiar Scene at Harvesting Time in West



Almost anywhere in Western Canada this is the happy picture October presents.

COLLECTING INFORMATION IN MARKETS

Even a casual visit to the Winnipeg Grain Exchange cannot fail to reveal the elaborate system for the collection and dispersal of information relative to marketing. A further examination would show that the whole system, by which crop statistics and crop reports are now made available through newspapers, bulletin boards, wire services, government agencies, etc., is but the result of fifty years of active effort by the trade.

It is a consideration of the mass information thus provided, and the free interplay of opinions as to its importance, that brings about the buying and selling which establishes the market price from time to time.

—From Dawson Richardson's "Grain Trade in Western Canada."

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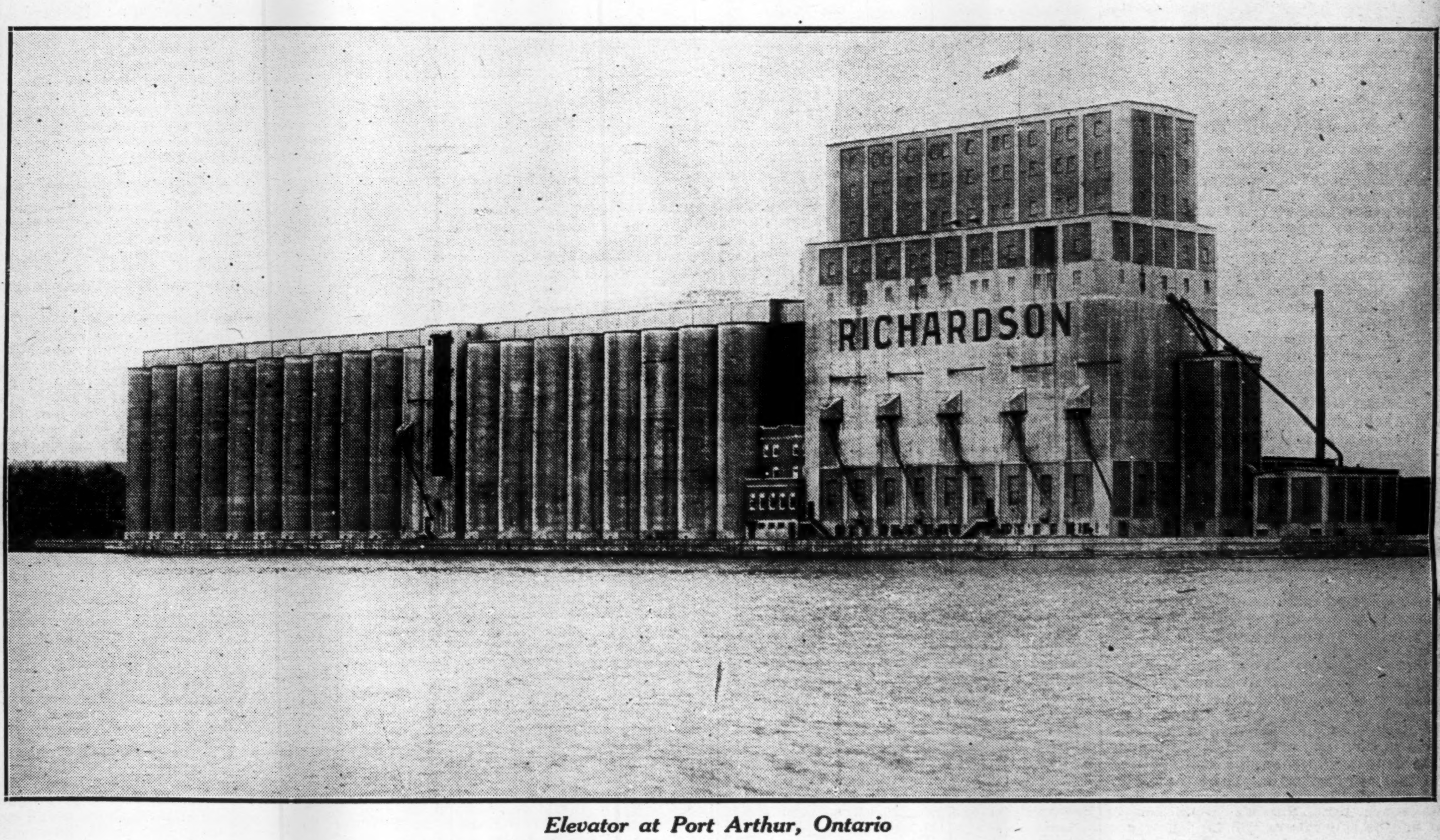


Elevator at Port Arthur, Ontario

Head Office
Kingston, Ontario

Executive Offices
Winnipeg, Manitoba

Export Offices
Montreal, Quebec

Branches

Brandon
Calgary
Edmonton

Montreal
Moose Jaw
Port Arthur
Saskatoon

Toronto
Vancouver
Winnipeg

Weather is Biggest Grain Price Factor

Grain Exchange and Government Co-operate to Give Fine Service

What is the greatest single influence in the making of grain prices? It is the weather.

At any time of the year the weather influences grain prices. In the spring the temperatures and the moisture have a quick influence upon that sensitive instrument, the grain market. In the growing season, rain and sun are watched with the keenest interest. Just before the threshing season, frost and rain will send wheat prices rising, while forecasts of good weather will unsettle the market. To the farmer, the weather conditions spell success or failure for his year's work. To the grain buyer they indicate the time to buy or sell. To the speculator the weather map is of greater value than the statistical chart.

Every one interested in the grain trade wants to know weather conditions at any given moment all over the grain-growing area; he wants to know the probabilities for as long a period in advance as he can reasonably get them; he wants a general idea of growing conditions in other cereal-producing nations the world over.

Rapid Service Given

Thanks to the co-operation that the Dominion Meteorological service is now furnishing to the grain trade of Canada, newsy weather reports are now available.

Consider this one thing as an evidence of service by a government department, a service by the way made possible through contributions from the grain trade.

At 7 o'clock each morning, Winnipeg time—the basic time being 8 o'clock at the 75th meridian—scores of weather observers all over the United States and Canada take readings of barometric pressure, temperature, etc. The readings are all taken simultaneously, although it may be 9 o'clock in Maine and 5 o'clock in Victoria. Before trading starts on the Winnipeg Grain Exchange, between nine and nine-thirty in the morning, about two hours after these readings have been taken—all over the continent, the weather bureau draws a large weather chart on a prepared base map on the floor of the exchange and a picture of weather conditions in every part of the continent is presented to the grain trade. By 10.30 and often by 10 o'clock a printed duplicate of this map is available for distribution to subscribers to the service. This service coming from a government office suggests the modern newspaper more than it suggests a branch of public business.

Two Governments to Operate

The weather map is the result of cooperation between the American and Canadian governments. Weather reports are gathered at Buffalo across the line, and in Toronto on this side, and are then exchanged and wired to such points as Winnipeg.

The service is expensive, but it is worth while. No grain trader would think of taking up his position in the pit without first having studied the weather map. The weather is a foremost factor in buying and selling, especially in the height of the marketing season.

Sir Frederick Stupart, of Toronto, is head of the Dominion Meteorological Service, and A. F. Ough is the Winnipeg officer.

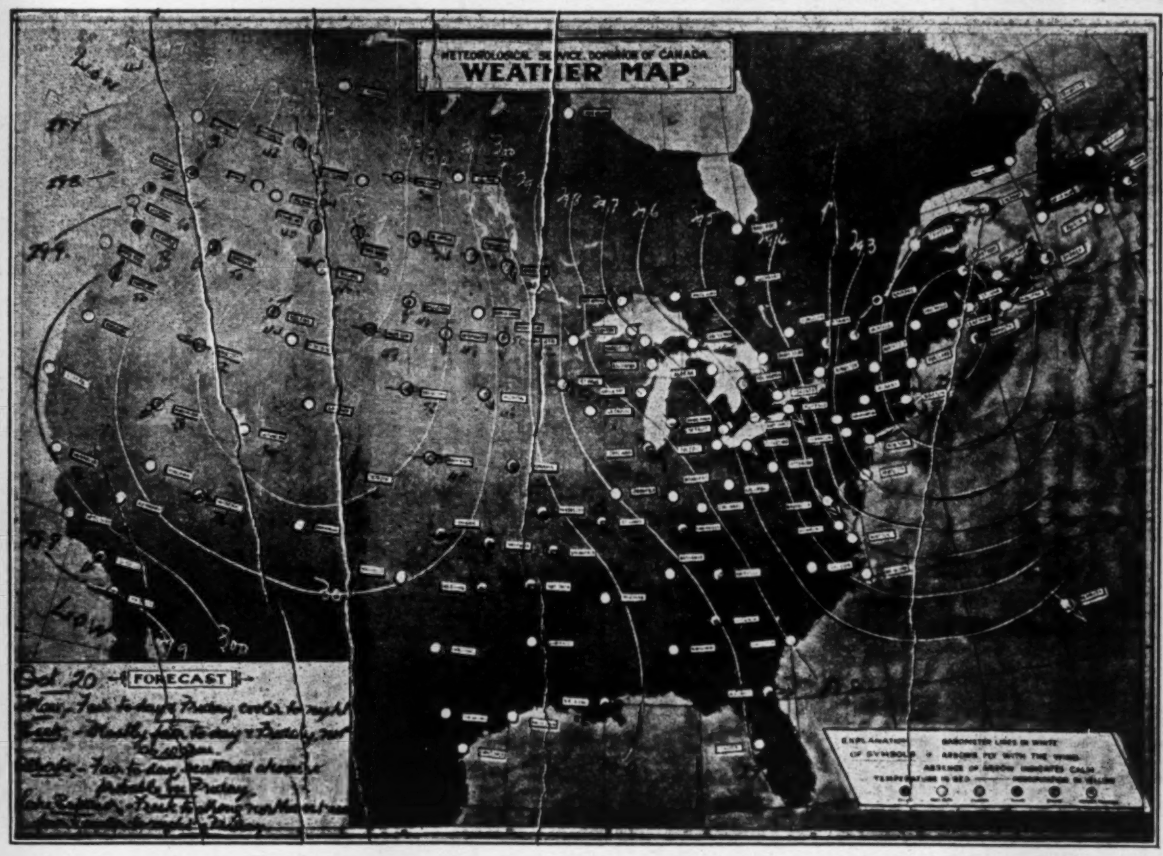
Co-operative Idea Has Not Brought Promises to Fruit

(Continued from page 29)

payment in full immediately his wheat is sold. The pool farmer gets his returns in four instalments spread over 12 months or more. It was claimed by the founders of the pool that this method of payment would be in the farmer's interest and that he would in some way be able to finance on these payments with less need for borrowing than before. Why this was likely to be the case was never made clear, and from the very large numbers of assignments reported by the pools as registered against the payments, it is evident that results have not been in accordance with original claims.

On its internal side the Canadian Wheat Pool is a co-operative undertaking, and the relative advantages and disadvantages of the co-operative form of business association are primarily the concern of those who are active participators. On its external side, the movement is to be judged by its effects, if any, on methods or prices. In respect to the latter, there is evidence that many of the founders of the pool believed that the control of one body of a very large quantity of wheat would put it within the power of that body to raise or maintain the level of wheat prices as compared with the values of other commodities, and further to stabilize prices within any crop year. Very little is now said, however, about the pool's influence on either of these two points. It has happened that, during the last three pool years, very sharp and wide fluctuations in prices have occurred, and changes have continued to take place in the comparative price level of wheat under the fundamental forces of supply and demand.

Gives the Wheat Pit Fast Weather Service



This weather map is a tribute to the speed of modern science. It is a large ground-glass affair hanging on the walls of the Winnipeg Grain Exchange. It is about five feet high. Every morning it shows weather conditions, as at that morning, in every part of the continent. The grain market moves with the weather and this map, executed with amazing speed each morning, is a factor in wheat prices.

Western Interests Charge Easterners With Backing Pool for Selfish Reasons Without Making Study of Grain Trade

Pool Has Given West New Psychology and Eastern Bankers and Manufacturers Like This, but Overlook Economies of Situation

An important contributing factor in the growth of the wheat pools in Western Canada has been the encouragement given by various persons of political, social and financial influence who have been inclined to pat the pool on the back and say, "Good work, young fellow."

Because the pool has handled a large amount of wheat, because it has enlisted many thousands of farmers to its ranks, because it has taken the farmer's mind off the tariff, because it spreads farm income out more evenly, if thinly, the pool has won friends among eastern interests.

It Mystifies Many Westerners

This attitude of the banks, manufacturers, loaning companies, and other persons and institutions of influence in Eastern Canada, is an eternal mystery to the grain trade of Western Canada and to many influential western citizens who know both the pool and the grain trade.

The chief gift the wheat pool has given the West is a new psychology, a phychology of hope and expectation, of optimism and content. This has not been based upon the results the pool has achieved, because it has achieved nothing for the farmer that the regularly-organized grain-marketing machinery of Canada could not have done for him much better, nor is it based upon any assurance of continued success for the pools, because the pools have been riding on the crest of the wave to date and have not yet run into period of testing.

Based Upon Promises

Wheat pool phychology, which has inflamed the West, and given it a new spirit, is based upon the promises and assurances of the wheat pool's farmers and leaders, and undoubtedly the continuation of this spirit of optimism would be badly shaken by any serious setback to the pool.

A wheat pool book quotes Professor Fay, of Toronto, as saying that "The biggest gap in the social democracy of England is the voicelessness of her rural life." No voicelessness in the West, now argues the wheat pool book. The pools have given a voice to rural dreams.

There you have it; the pool expresses rural dreams. The pool is gospel; Aaron Sapiro so called it, speaking in a church, rousing the farmers by characteristic oratory. "Consecrate yourselves," he said. He promised from the pool "hope, and enlightenment and happiness, and the finest citizenship in all Canada."

What Western Farmer Thinks

The echoes of ringing organization oratory are still young and still ringing in the West. The wheat pool has changed the psychology of many western farmers, a change sufficient to be marked by visitors to the West. This is probably why people with large interests in the West, interests that do not include an intimate touch with grain-marketing machinery, have accepted the pool for what its backers claim it to be a great blessing for the western farmer. The pool farmer is an optimistic farmer because his ears have just been dinned full of assurances and he has as yet met with no serious setbacks. He thinks he has eliminated the marketing problem from his annual worries and is more interested in that than in getting a higher price for his grain. He does not get all his money at once, but he is ready, while the idea is novel, to have something to look forward to in the spring and next fall. He plans his yearly expenditures accordingly, and goes about his business serenly expectant of a careful handling of his marketing affairs by the pool.

Business Men Find It Easy

Banks, loaning companies, and manufacturers, rather like this state of western mind. It simplifies collections and leads to less sales resistance; not because purchasing power is raised, but because the spending mood follows the elevation of spirit. They may think that the farmer, especially the farmer who is a good business man, is losing in dollars and cents by belonging to the pool, but they see that for the nonce he has gained in state of mind. They prefer to have moderate prosperity evenly distributed than to have the western farm income distributed over the year. They do not care much if the farmer loses something in final price and something in interest. Stability is what they want and they think the pool helps business to get it. They see the psychology of the situation and know little of its economies.

And no doubt they have credited the pool with prosperity that should be credited to good weather and high wheat prices.

Call Easterners Selfish

Westerners who have studied the pool and the private grain trade and see that the latter can still give the farmer the best service, feel that eastern interests, in accepting the pool without investigation, are taking the narrow, selfish view. They look for deeper motives than those outlined. The East is ready to let the West have its pool, ready to let it have any legislation it desires at the expense of the established grain trade elevator companies and grain traders, ready to give the pool every public support in any attempt it might make to wipe out the grain- marketing machinery of Canada if it were so inclined, if only by such action assurance could be had that the farmer would forget the tariff, forget his antipathy to income tax reduction, forget railway rates, forget any other issue between East and West. "If we have to sacrifice something to keep the western farmer contented, let's sacrifice something that is chiefly western in its ownership and scope." So the West charges the East with thinking of itself, and to the extent that the East has so argued, it has been strengthened by its lack of knowledge of the actual processes of marketing grain. There has never been a grain company's shares listed on the Toronto or Montreal stock exchange until the recent entry of Alberta Pacific Grain. Only through the annual reports of two farmer-owned grain companies have financial men and investors learned until recently of the operations of the grain trade.

These are rather harsh words, but perhaps it is well that the viewpoint is expressed here. There is a danger that through lack of knowledge the functioning of the grain-marketing machinery of Canada misunderstanding will arise between East and West. Let the eastern business man study grain and the grain trade; examine every process in that trade fairly and squarely, be it the wheat pool, the grain exchange, the elevator system or what not; let the West step back and view its present tendencies from the farthest pinnacle of detachment to which it can achieve and Canada need not worry as to the future of its grain dollars.

Speaking of Yields--

The productivity of wheat land is dependent largely upon the average yield it gives, year in and year out.

The productivity of invested dollars is also dependent upon the average yield they will give, year in and year out.

The money that you have saved or invested can be made to do the most work for you only when it is well invested and safely invested. The disparity in the yield one person gets on his investment and the yield obtained by another is greater than the disparity in yields of different farms.

Knowledge is the biggest factor in increasing wheat yields.

Knowledge is the biggest factor in increasing investment yields.

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Grain Exchange, Winnipeg, Manitoba

Grain Shippers Clear Wheat by One Giant Clearing House

Lake Shippers' Clearance Association Reduces Expense of Handling Grain by Clearing Warehouse Receipts—Includes Practically All Leading Shippers

Without a clearing house for grain shipments the cost of handling grain in Canada would be greatly increased.

When a buyer of grain purchases say 100,000 bushels he does not buy any particular 100,000 bushels, stored in a single elevator in Port Arthur. He buys 100,000 bushels of grain of a certain grade and to complete the transaction the seller has only to deliver warehouse receipts to that amount. He may deliver five different receipts covering grain in five different elevators at the Head of the Lakes. When he sends a boat around to pick up the grain the boat would have to call at five different elevators to draw the quantities of grain represented by the warehouse receipts of each elevator. This is what he would have to do if there were no clearing house for warehouse receipts and grain shipments. But through an organization known as the Lake Shippers' Clearance Association, the shipper of grain can in effect trade his warehouse receipts for others so that his boat can load its entire cargo at one elevator.

Important in Grain Trade

The Lake Shippers' Clearance Association has therefore become one of the important factors in the grain trade of Canada, and is a further evidence of the fact that the grain trade of Canada is one of the most scientifically organized and smoothest working pieces of business mechanism in existence.

Enormous quantities of grain are handled each year by this association. For instance, in the grain year 1926-1927, beginning August 1, 1926, and ending July 31, 1927, the association cleared

244,484,168	bushels of wheat
18,627,669	bushels of oats
34,813,897	bushels of barley
4,549,942	bushels of flax, and
7,339,587	bushels of rye.

In that period the association issued 28,236 transfer certificates which were used by the trade when delivering grain in satisfaction of contracts. Under the old system this would have involved the handling of 280,000 warehouse receipts. Thus the use of the transfer certificates has eliminated 90% of the detail involved in making these deliveries.

The Lake Shippers' Clearance Association is a co-operative, mutual association, not incorporated, organized by the grain shippers. It operates as a clearing house for grain documents, somewhat on the principle of a bank clearing house. It combines all the documents of the different shippers to give the vessels the maximum of dispatch in loading, and also to increase the movement by rail in the same way by combining the shipments so that cars can be distributed to the best advantage to the terminals for loading. This eliminates much switching.

The association was organized in September, 1909.

Conditions Previously Existing

In order to fully understand the functions and purpose of the Association it is necessary to consider the conditions obtaining before its organization, and which would obtain to-day if it were not in existence. There are twenty-seven grain elevators on the water front at Fort William and Port Arthur, besides seven situated on tracks not accessible by boat.

Warehouse receipts issued by any elevator under the authority of the Board of Grain Commissioners for Canada, and declared regular by the rules of the Grain Exchange are tenderable in satisfaction of any purchase of grain made in the grain markets. Consequently, when a shipper buys, say, a cargo of 200,000 bushels, he is likely to have delivered him warehouse receipts of every elevator on the water front, as every elevator is unloading every day, and their warehouse receipts are continually coming on the market. In addition to this, private elevators, that do not issue warehouse receipts, are daily making sales of certain grades in store in their private elevators. It can be readily seen that without such a clearing house for documents as is provided by this association the shipper would have to send his boat to every elevator against which he held warehouse receipts, and that might be every elevator in the port, causing serious loss of time to the boat, which would have to be reflected in the freight rate, as well as loss of interest and storage to the shipper through delay in loading, which would add to the cost of marketing.

Illustration Shows Problem

This was the condition obtaining which this association was created to overcome by the clearing of grain documents.

To illustrate:

Supposing five different firms have shipments pending of varied amounts of wheat all one northern grade. Style the firms respectively A, B, C, D, and E. Assume that A intends to ship 80,000 bushels and has documents for 40,000 bushels in the C. P. R. elevator, 20,000 bushels in the Empire elevator, 10,000 bushels in the Consolidated elevator, and 10,000 bushels in the Ogilvie elevator;

That B intends to ship 50,000 bushels and has documents for 10,000 bushels in the C. P. R. elevator, 31,000 bushels in the Port Arthur elevator, and 9,000 bushels in the Consolidated elevator;

That C intends to ship 40,000 bushels and has documents for 10,000 bushels in the C. P. R. elevator, 15,000 in the Empire elevator, 1,000 bushels in the Port Arthur elevator, 11,000 bushels in the Consolidated elevator, and 3,000 bushels in the Ogilvie elevator;

That D intends to ship 70,000 bushels and has documents for 10,000 bushels in the C. P. R. elevator, 5,000 bushels in the Empire elevator, 4,000 bushels in the Port Arthur elevator, 10,000 bushels in the Consolidated elevator, and 41,000 bushels in the Ogilvie elevator;

That E intends to ship 60,000 bushels and has documents for 10,000 bushels in the C.P.R. elevator, 10,000 bushels in the Empire elevator, 4,000 bushels in the Port Arthur elevator, 30,000 bushels in the Consolidated elevator and 6,000 bushels in the Ogilvie elevator.

Without a process of clearing, A's vessel would have to take cargo at four different elevators, B's vessel at three, C's vessel at five, D's vessel at five, and E's vessel at five.

Simplifying Shipments

Assuming that these orders and accompanying documents were filed at comparatively the same time, the clearing house manager would make a brief analysis of the stocks at his disposal as follows:

	C.P.R.	Empire	P.T.A.	Cons.	Ogil.	Total
(a)	40,000	20,000		10,000	10,000	80,000
(b)	10,000		31,000	9,000		50,000
(c)	10,000	15,000	1,000	11,000	3,000	40,000
(d)	10,000	5,000	4,000	10,000	41,000	70,000
(e)	10,000	10,000	4,000	30,000	6,000	60,000
	80,000 (a)	50,000 (b)	40,000 (c)	70,000 (d)	60,000 (e)	

He would send A's vessel to the C. P. R. elevator, B's to the Empire elevator, C's to the Port Arthur elevator, D's to the Consolidated elevator, and E's to the Ogilvie elevator, and in that way each vessel would get a load from one house only.

Saving on Vessel Costs

If this saving can be accomplished in a case involving only five elevators, and five shippers, how much greater the saving in time would be when some thirty elevators, and the number of shippers engaged in the business to-day, are involved, and the importance is apparent when it is realized that the saving of a day in the loading of a boat going to a bay port, or a six-day trip, means a saving of an amount equal to one-sixth of its gross freight earnings on the trip.

When the association was being formed, as it was considered to be more in the interest of the boats than the shippers, and as they would reap greater financial benefit, the question of maintenance was taken up with the vessel owners, and a proposition was made to have the boat-owners join with the shippers in a joint organization. The boat-owners, although admitting the equitableness of the proposition, felt that, owing to the fact that grain carrying was only a part of their business, and was not participated in equally by all boats every season, they would rather agree to a schedule of fees, or assessment, based on the dispatch given their boats, and made a counter proposition agreeing to a certain basis of charges or assessment to be paid by the boats; the shippers to assess themselves for the balance of the costs of maintaining the association and assume all risks and advantages accruing therefrom. This proposition was accepted by the shippers as a satisfactory adjustment of the matter, and this arrangement has been in effect ever since, to the mutual satisfaction of all concerned—the shippers assessing themselves the additional fees necessary to maintain the association.

Also Helps Rail Shipments

When the association was formed it was thought that the advantage of handling shipments through clearing of grain documents would be largely limited to boat shipments, but when the clearing principle was put into practice it was quite apparent that it would be of as great an advantage in rail shipments, as, by combining the orders, a number of cars of each grade could be ordered out at any one time from a terminal, thus giving them a lot of cars they could work straight ahead on, instead of having to load a car of one grade, then clean up and load a car of some other grade, which meant loss of time and expense in handling that could not be avoided when orders were filed by individual shippers.

At that time rail shipping from the lake ports was very unsatisfactory. The railways were unable to move the quantity required of them and there were embargoes being continually placed on one point and another, due to congestion of traffic. There was no systematic arrangement for recording of orders filed, and complaints were made of discrimination of the part of the railways and terminals. Exporters claimed that terminals were showing preference to certain firms with allied interest, and millers complained that they were being unfairly treated by the railways in favor of certain exporters, and every interest seemed dissatisfied. Finally, as a result of complaints received, the Board of Grain Commissioners for Canada called a conference of all interested parties. At this hearing, which was held at Fort William, all the different interests were represented, including eastern millers, exporters, domestic shippers, terminal elevators and railways.

Put in Full Charge

The whole question was fully discussed and an outline of a system of handling rail shipments agreed to, and with the approval and concurrence of the Board of Grain Commissioners for Canada it was unanimously agreed by all the different interests that the Lake Shippers' Clearance Association be appointed to take full charge of the distribution of cars for all eastern shipments, and that in order to effectively carry this out the several railways should confer the necessary authority on the association by appointing it agent for that purpose. This was agreed to by the railways, and the necessary appointments made. Although it meant a gratuitous service and great responsibility, the association, in the general interest of the trade, undertook the duty and have carried on this work and there has not been one complaint of unfair treatment in the distribution of cars. The saving to the railways was also great, as all cars were loaded to full capacity and switching reduced to a minimum. The banks appreciated the formation of the association, as it provided them with a means of protecting their securities that they did not have previously.

Also of Aid to Banks

Prior to the formation of the association, the grain documents assigned to the bank as security for advances, were held in their own office until they were required for shipment, when they had to be handed back to the borrower just at the time they were being turned into money in the shape of boat bills of lading. The association bridged this gap in the holding of their securities as it provided an independent, responsible trustee that held the securities for their account outside of the borrower, while they were being changed into boat or rail bills of lading for the bank's account, thus relieving them of the risk they formerly incurred when the documents had to be turned over to the shippers and by them to individual shipping agents, at the Lake ports, who were not directly responsible to the banks, and of whose responsibility, financial or otherwise, they had no knowledge.

Keeping Banks Informed

When documents are deposited to be shipped to the order of any bank they are recorded accordingly, and periodical statements rendered the bank interested, showing the quantities and different grades held for their account, thus enabling them to keep continual check on securities held by the association in trust for their account.

Speed Up Rail Shipments

This association very materially assists in facilitating the inward movement of grain to the lake ports during the fall season. The movement of grain from the country during the fall, depends upon the speed with which cars can be unloaded at the terminals and returned to the country, and if a terminal has to close down for want of space to unload cars, it means reducing the unloading capacity of the port for the time being by 100 to 200 cars for each elevator in that position, which is a very important matter to the farmer who is waiting for cars to load his grain.

The association, handling as it does all the outward shipments, and having on call at the terminal elevators large quantities of grain at all times, is in a position to place boats at elevators that are full, and would otherwise have to close down for want of space, and in this way keep all elevators unloading cars, thus maintaining the unloading capacity of the port at its maximum at all times.

Not Trading Organization

This association is not a trading organization, and does not buy or sell grain. It takes delivery of the warehouse receipts in its office in Winnipeg, records them in books under their several grades and elevators, wires the necessary particulars to its Fort William office, and to the several elevators concerned promptly. It receives the shipping orders from the shipper, and where any bank is interested, sees that its interests are fully protected, loads the grain out according to terms of loading order; makes out the rail or vessel bills of lading in split quantities as required; obtains the government weight and inspection certificates to correspond with bills of lading; makes out all custom papers, including export entries and consular invoices where required, and delivers all the documents covering the shipment complete to the shipper or the bank as the case may be. It adjusts and pays all the elevator and other charges against the shipment, and delivers to the shipper detailed manifest showing all charges against the shipment. It also maintains a private wire between its Winnipeg office and its office in Fort William, so that all transactions in connection with shipments, such as changing leading orders, destination, billing instructions, etc., can be carried out with the maximum dispatch.

The by-laws provide that the delivery of warehouse receipts to the association shall, ipso facto, transfer to the association all rights to the particular documents delivered. The member receives in exchange for his documents the association's receipt, and such receipt and the association's liability thereunder shall be redeemed and cancelled upon the delivery to such member, his agent or banker, lake or rail bills of lading or documents for equivalent quantities and grades of grain.

Use Transfer Certificates

When a member having grain on surrender with the association desires to deliver all or any part of it on a sale it is not necessary to withdraw actual warehouse receipts, as the association has provided a form of transfer certificate which is issued on application for any quantity or grade required, and is transferable and negotiable by endorsement in the same way as a warehouse receipt, making it possible to carry out any transaction or sale, and make delivery of any quantity and grade with only one document instead of a number of warehouse receipts of different quantities and storage dates, involving the figuring and adjusting of storage on each warehouse receipt separately.

These certificates are charged to the member's account when issued, and when properly endorsed and re-deposited are credited to the member depositing them, in the same way as warehouse receipts. The convenience and saving of time and accounting is such that the transfer certificates are used almost entirely by the members in carrying out their sales.

Indispensable to Trade

The operations of the Lake Shippers' Clearance Association have proven that it is rendering to the trade, the terminals and the transportation companies as valuable and indispensable service as that of the bank clearing houses to the banks, and it is admitted by all interests concerned that the business of shipping and transporting grain could not be economically or successfully carried on without its activities. It may be added that the Public Terminal Elevator operated by the Board of Grain Commissioners for Canada has always been in full co-operation with the work of the association, and the Board of Grain Commissioners for Canada have always co-operated with the association in every way in carrying out its objects.

Canada Collects Her Grain Dollar

(Continued from page 25)

bers of the Exchange are the agents in innumerable transactions.

Export houses keep the cables busy finding overseas buyers for the farmers' grain.

Milling companies in Canada provide an immediate market for about a quarter of the crop.

Government bodies supervise and control all. They inspect the grain and grade it so that any buyer anywhere in the world can specify with scientific accuracy his exact requirements in grain and be certain of having his order filled accurately.

Behind the scenes, the scientists are working—finding new wheats, studying and forecasting the weather. Telegraph and telephone, the press, the statisticians, even the radio, are intimately involved in this great task.

That, in a broad and sweeping picture, is the grain trade of Canada.

Wheat Pool is New Factor

New elements have entered into the situation in recent years. Of these, the most important is the wheat pool. The wheat pool was definitely excluded from the foregoing summary of working parts of the grain marketing machine because the wheat pool is not a separate unit in the trade but merely a new alignment of certain of these forces. At its inception, four years ago, the wheat pool was expected by its members to do a number of things.

It was going to stabilize wheat prices throughout the world. But it found that wheat prices are dependent upon economic laws that are beyond the control of Canada. Wheat prices have not been stabilized. Informed wheat pool executives now decry promises that prices can be influenced by pool activities.

The pool was going to "replace the relatively inefficient, competitive, private grain marketing system." But no movement, however powerful in the numbers of its adherents, nor in total resources, can destroy in five or fifty-five years, a grain marketing machinery that has attained scientific precision by years of slow building. To-day the grain trade is stronger than ever before. Shares in the Winnipeg Grain Exchange sell for a higher price than ever previously attained.

The wheat pool has not changed the system; it has merely made itself a force in the old system with economic results to the farmers that are in dispute and that have not been proven entirely satisfactory.

Expands for Further Service

The grain trade is expanding. Chiefly, it is expanding because its field of service is expanding. Canadian wheat production, taking one five-year period against another, is growing. Not likely ever to be the bread-basket of the whole world, Western Canada is each year the bread-basket to a larger section of the world. Four hundred million bushel crops will be billion bushel crops in time. Elevator maps will show 10,000 dots. Immense terminal elevators will go up—two, three, four or more every year. In such manner, by extending the grain marketing machine, the grain trade will meet its yearly increasing responsibility.

One has but to recall its service in the past and to survey the present extent of that service, to appreciate with what courage and sensitive response, the grain trade of Canada will expand in the future.

Grain for decades to come, will continue to be Canada's biggest single business.

A Quarter-Century Survey of Canada's Place in Wheat

Year	World Wheat Production, Bushels	Canadian Wheat Production, Bushels	United States Wheat Production, Bushels
1900	2,663,440,000	55,000,000	602,708,000
1901	2,783,784,000	85,000,000	789,538,000
1902	3,175,280,000	93,000,000	724,528,000
1903	3,258,688,000	78,000,000	664,543,000
1904	2,903,420,000	69,000,000	596,375,000
1905	3,252,520,000	106,000,000	726,384,000
1906	3,319,072,000	125,000,000	757,195,000
1907	2,950,840,000	93,000,000	637,981,000
1908	3,093,816,000	112,000,000	644,656,000
1909	3,609,656,000	166,000,000	700,434,000
1910	3,524,824,000	132,000,000	635,121,000
1911	3,463,760,000	230,000,000	621,338,000
1912	3,748,960,000	224,000,000	730,267,000
1913	3,896,800,000	231,000,000	753,380,000
1914	3,551,400,000	161,000,000	891,017,000
1915	4,233,840,000	393,000,000	1,025,801,000
1916	Returns incomplete.	262,000,000	636,318,000
1917	" "	233,000,000	636,655,000
1918	" "	189,000,000	921,438,000
1919	" "	193,000,000	967,979,000
1920	2,889,269,000	263,000,000	833,027,000
1921	3,110,961,000	300,000,000	814,905,000
1922	3,506,530,000	399,000,000	797,381,000
1923	3,818,844,000	474,000,000	792,381,000
1924	3,469,640,000	262,000,000	864,428,000
1925	4,030,674,371	411,000,000	676,429,000
1926	4,178,942,000	410,000,000	832,305,000
1927	4,250,000,000	*459,000,000	*826,000,000

Canadian Wheat Production: *Unofficial estimate.

United States Wheat Production: *Estimated

Canadian Wheat Exports*

	As Wheat Bushels	As Flour Bushels	Total Bushels
1901-2	9,740,000	5,000,000	14,740,000
1902-3	26,100,000	3,900,000	31,000,000
1903-4	32,900,000	5,900,000	38,800,000
1904-5	16,800,000	7,100,000	23,900,000
1905-6	14,700,000	5,900,000	20,600,000
1906-7	40,000,000	6,800,000	47,200,000
1907-8	25,500,000	4,900,000	30,400,000
1908-9	43,600,000	8,900,000	52,500,000
1909-10	49,100,000	7,800,000	56,900,000
1910-11	49,700,000	13,800,000	63,500,000
1911-12	45,800,000	13,700,000	59,500,000
1912-13	64,500,000	16,800,000	81,300,000
1913-14	110,900,000	20,700,000	131,600,000
1914-15	63,900,000	22,800,000	86,700,000
1915-16	235,700,000	33,500,000	269,200,000
1916-17	140,200,000	34,400,000	174,600,000
1917-18	118,600,000	50,600,000	169,200,000
1918-19	62,600,000	41,000,000	103,600,000
1919-20	63,400,000	29,100,000	92,500,000
1920-21	137,000,000	30,200,000	167,200,000
1921-22	150,900,000	34,900,000	185,800,000
1922-23	229,800,000	49,600,000	279,400,000
1923-24	292,400,000	54,100,000	346,500,000
1924-25	147,000,000	45,700,000	192,700,000
1925-26	275,600,000	49,000,000	324,600,000
1926-27	251,300,000	41,600,000	292,900,000

*For crop year from August 1 to July 31

Canadian Flour Production

Calendar Year

	Wheat Consumed in Bushels	Flour Produced in Barrels
1917	84,488,264	17,687,338
1918	78,486,826	17,880,912
1919	78,591,648	17,842,833
1920	61,116,380	13,127,320
1921	70,005,373	15,321,759
1922	81,413,649	18,055,010
1923	85,699,645	19,075,814
1924	95,750,772	21,076,733
1925	80,901,984	17,769,366
1926	85,316,163	18,965,368

Canadian Flour Exports

Fiscal Years to March 31

	Barrels
1901	1,118,700
1911	3,049,046
1921	6,017,032
1922	7,414,282
1923	10,227,060
1924	11,714,929
1925	11,029,227
1926	10,084,974
1927	10,147,705

Some of these figures have been extracted from "Pooling Wheat in Canada," Graphic Publishers, Ottawa. Others are from the Grain Trade Year Book, from the International Crop Report; from Dominion Govt. Pub., etc.

Grain Commission Regulates Trade

The dictatorial authority in the grain business of Canada is a body created by the Dominion government.

The Board of Grain Commissioners enforces the Canada Grain Act. The Canada Grain Act sets down specific rules to cover practically every transaction in grain, from the time the farmer delivers it to the nearest country elevator until it is delivered to a Canadian flour mill or shipped out of the country.

In the Canada Grain Act and the Board of Grain Commissioners for Canada exists the most complete system of regulation that rules any business anywhere in the world.

Three Members on Board

The Canada Grain Act is administered by the board which is part of the Department of Trade and Commerce. There are three members on the board appointed by the Dominion cabinet for ten-year terms. One is a chief commissioner and there is also a secretary. All members of the board are required to live at Fort William and to give all of their time to the work of the board. They must not have any interest in any branch of the grain business.

The Canada Grain Act provides that all track buyers, all owners and operators of elevators, all grain commission merchants and primary grain dealers, shall take out annual licenses. They get their licenses from the Board of Grain Commissioners each season. Thus the board has automatic control of every person in the business. If anyone offends the board, he can be put out of business through withholding or canceling of his license.

Some Hold Three Licenses

In practice a number of those in the trade hold licenses for two or three of the functions indicated, because there is necessarily overlapping between the different groups. But, as the license fees are low, there is no hesitation in the payment of three fees.

The actual work of the board falls under three heads—administrative, commercial, and judicial. The administrative work comprises issuance of licenses, and the approval of bonds, the inspection and weighing of grain, the fixing of elevator tariffs, the registration of warehouse receipts, and the compilation of statistics.

The board carries on commercial operations, for it manages the various Dominion government elevators in different parts of the country.

It has judicial powers in so far as these have been granted by the act. It investigates complaints of undue dockage, improper weights, or grading; of refusal to furnish cars; of fraud or oppression; of violation of the Grain Act.

Inspect Many Cars of Grain

One of the most important branches of the work is that of grain inspection. All grain passing out of the western area to market is inspected and graded, a colossal operation involving inspection of no less than 266,000 cars per year in one city alone, Winnipeg. Total inspection totals over 325,000 cars a year.

Incidentally the administration of the Canada Grain Act is apparently more than self-supporting. Inspection fees brought in $768,000 in the year to August 13, 1926. Weighing fees brought in $792,990, while the total revenue of the board of $1,675,000. Total expenses only amounted to $1,229,803. After charging one additional routine item, the surplus for the year was $428,260.

Officers of the Board of Grain Commissioners for Canada

Chief Commissioner—Leslie H. Boyd, K.C., Fort William.
Commissioners—M. Snow and James Robinson, Fort William.
Secretary—F. J. Rathbone, Fort William.
Chief Inspector—James D. Fraser, Winnipeg.
Assistant Chief Inspector—J. Cuddy, Winnipeg.
Chemist—F. J. Birchard, M.A., Ph.D., Winnipeg.
Chief Accountant—J. Smith, Winnipeg.
Deputy Registrars—W. T. Todd, Winnipeg; R. C. Deakin, Fort William; H. E. James, Vancouver.
Inspectors—F. Symes, Fort William; Thomas Young, Calgary; William Crawford, Vancouver; A. A. Bowen, Montreal; W. J. McNeil, Toronto.
Chief Weighmaster—J. G. White, Fort William.
Assistant Chief Weighmaster—J. T. Hollinshead, Fort William.
Weighmaster—W. Adams, Winnipeg.
Statistician—E. A. Ursell, Fort William.
Warehouseman—C. F. Spittle, Fort William.
General Manager of Elevators—R. Hetherington, Fort William.

Canada Ranks First as Wheat Exporter

Canada is now the largest wheat-exporting country in the world, exporting 250,000,000 and more bushels annually.

For the crop year ending July 31, 1927, wheat exports of different countries were as follows:

	Bushels
Canada	251,264,000
United States	148,336,000
Argentina	135,229,000
Australia	69,856,000
Russia (8 mos.)	36,552,000
Hungary	14,473,000
India	10,505,000
Kingdom of the Serbs, Croats and Slovaks 10 mos.)	8,050,000
Roumania (11 mos.)	6,180,000

Importers of Wheat

The United Kingdom is the largest importer of wheat. For the crop year August 31 to July 31, wheat imports of principal countries were:

	Bushels
United Kingdom	199,423,000
Germany	92,879,000
Italy	87,482,000
France	62,114,000
Belgium	40,237,000
Netherlands	20,679,000
Japan	18,081,000
Switzerland	16,318,000
Czechoslovakia	12,202,000
Irish Free State	11,280,000
Poland	8,341,000
Austria (10 mos.)	8,120,000
Sweden	7,903,000

FARMERS BUY MUCH MACHINERY

Prairie farmers in Western Canada, in late years, have gone in heavily for improved machinery of every description. The gasoline tractor is one of the new big factors on the average farm between the lakes and the mountains. In the early stages of the gasoline and oil tractors the tendency was to buy a big machine worth $5,000. These were not satisfactory in actual use and too expensive to operate, considering the initial cost. When they got out of condition they could not be repaired except by an expert from the factory. The return to horse-power was quite general. Then came the smaller tractor of simple construction. They became popular with large and smaller farmers very rapidly. Not only are they being used more extensively every year for pulling gang plows but they are pulling loaded wagons over roads that would be impassable with horses. They are also geared up to the saw and the grinding mills for chopping feed.

Grain Trade Most Closely Regulated Business in Canada

No business in Canada is more closely regulated than the grain business. Absolute protection is given the farmer, the speculator, the buyer and every other interest in wheat and other grains all down the line.

The Canada Grain Act is a book of 160 pages and there is little that it misses.

An American government publication says: "The effect of the Act has been to place the government virtually in the position of referee between the transportation companies, the elevator interests, and the grain dealers on the one hand, and the grain growers on the other." The grain trade of Western Canada, this publication declares, is "more subject to regulation than any other Canadian trade, and far more closely supervised than the grain trade in the United States."

Says a western grain man, "A man with grain to sell may be absolutely lacking in any knowledge of business and yet he is thoroughly protected by law and practice."

HERMAN TRELLE PROMISES NEW WHEAT

Something of a revolution in wheat-growing is promised by Herman Trelle, who in 1926 secured the world championship for wheat as well as for oats at the Chicago International Hay and Grain Show. He is stated to be working upon a wheat which can be sown later and yet ripens 18 days earlier than present varieties. The further effect of this upon wheat-growing in Western Canada can be readily imagined.

GRAIN ELEVATORS
DESIGNED BY
JOHN S. METCALF CO., LIMITED
Have Been Built
In
CANADA, UNITED STATES, ENGLAND, AUSTRALIA, ARGENTINA
OUR CLIENTS
INCLUDE
DEPARTMENT OF MARINE AND FISHERIES
DEPARTMENT OF TRADE AND COMMERCE
DEPARTMENT OF RAILWAYS AND CANALS
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HARBOUR COMMISSIONERS OF MONTREAL
HARBOUR COMMISSIONERS OF VANCOUVER
HARBOUR COMMISSIONERS OF ST. JOHN, N.B.
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Other Offices:
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837 West Hastings St. VANCOUVER, B.C.
33 Henrietta St. LONDON, ENG.

System of Grain Inspection Maintains Single Standards

Under Control of Dominion Government, Every Car of Grain is Inspected and Graded, Enabling Foreign Buyers Always to be Sure of Getting Exactly What They Order

Canadian grain is a highly standardized product. This does not mean that all Canadian wheat is of uniform quality. What it does mean is that extensive machinery has been set up for the grading of Canadian grain and as a result any buyer of grain knows that when he wants grain of a certain grade he can buy that grade and have the utmost assurance that he will get exactly what he expects to get. Every bushel of grain labelled with any particular grade is just like every other bushel of the same grade.

The establishment of standards for grain has been placed in the hands of responsible authorities and the actual inspection and grading is done by the Dominion Government. The work is one of the important functions of the Board of Grain Commissioners.

Help in Export Trade

Every shipment of grain from Western Canada is placed in one grade or another. These names represent fixed standards. The identity of each grade has been preserved. The advertising value of this is enormous. Canadian grain producers gain very much in foreign markets from having fixed standards attached to their product.

Permanent standards and strict grading are as much in the interest of the producer as of the foreign miller or other customer for Canadian flour.

Satisfying Customers

The ultimate consumer places his faith in the producer, counting upon him to give him what he wants and must have. If the producer fails him, his confidence is shaken. The grain trade of Western Canada and the Dominion Government conjointly insure that the purchaser shall not be disappointed.

The miller establishes certain standards for the flour that he will produce. He combines fixed quantities of different grades of wheat and produces a flour with qualities that must be definite and uniform. He knows from experience and analysis that one combination of wheats of different grades will produce a bread flour that will satisfy his trade. Another combination will give him a cake flour, another a pastry flour and another a pancake flour.

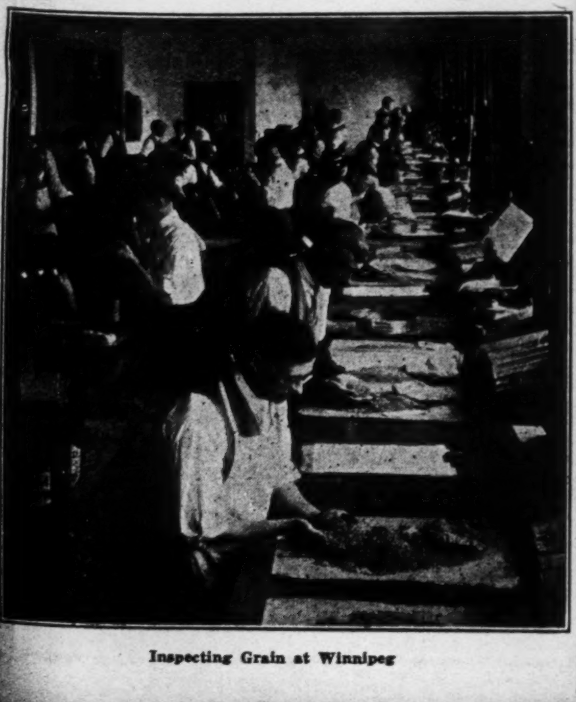
Makes Standard Flour Possible

Within these groups are further modifications. Pink Rose Flour is the product of one miller who uses a certain combination of grades. Black Knight Flour is the product of another miller who uses a different combination of wheat. The differentiation may be very delicate. Each miller advertises his flour and educates the public to the use of his brand. If the brand changes, the public notices it and the miller loses trade. One factor in producing flour of defined quality is his own treatment and milling methods. That is something over which he alone can exercise any measure of control. Another factor is the grade of the different wheats used. Over that he has less control and he therefore relies upon the uniformity of the standards established and maintained by government inspectors and upon the judgment shown in applying that grading to his wheat purchases.

Another factor must be considered; the miller buys wheat months in advance. Obviously, he can only buy by grade or standard. If the standards were to change in the interval or the grading were not done with the strictest attention to the standards established he would never know where he was at. If Canada did not adhere closely to its standards it would lose out in foreign wheat markets.

Many causes may injure wheat for milling purposes:

It may contain mixtures of other cereals or of various seeds; of barley, oats and flax; of cactus, cockle, darnel, garlic, wild mustard, wild oats, pigweed, ragwood, stinkweed, etc. All of these classes of wheat are bought by the millers who establish values for them. But these values are influenced by the condition of the grains. An important part of inspection, therefore, relates to admixture—usually called setting the dockage.


Inspecting Grain at Winnipeg

The wheat may be free from admixtures but still be unfit for milling either because it is affected by diseases, such as smut; or because it contains too large a percentage of moisture, which renders it tough, damp or wet; or because it is dirty, or musty; or because it is heating or binburnt. This indicates the second element in inspection, the fixing of the condition of the grain.

It may be free from all of the above and still vary in value for milling purposes. There are many varieties of wheat, differing in their yield of flour, both as to quality and quantity. Wheat grown as hard spring wheat may contain too large a percentage of other varieties to be graded high. And when this is not the case, different lots of hard spring wheat may vary in weight per bushel, in color, in plumpness and those qualities which are best for the production of high-class flour.

The supreme test of wheat is its milling and baking value and, judged by this test, wheat, as delivered by the farmer, shows many and wide variations. The resulting classes are called "grades" and similarly there are grades of oats, barley and flax.

Classes of Grain

The Canada Grain Act divides grain into five general classes, certain of which are divided into grades. These classes are as follows;

No Grade. This means all good grain that has an excess of moisture, being tough, damp or wet or otherwise unfit for warehousing.

Condemned grain, which is grain that is in a so-called heating condition or that is badly binburnt, whatever grade it might otherwise be.

Rejected grain means all grain that is unsound, musty, dirty, smutty or sprouted or that contains a large admixture of other kinds of grain, seeds or wild oats or that from any other cause is unfit to be classed under any one of the recognized grades.

Commercial grade means grain which because of climatic or other conditions cannot be included in the grades provided for in the Canada Grain Act. The grades for such grains are not fixed by statute of the Dominion Government, but are graded according to standards established for each crop year by a board of standards. This board, consisting of experienced grain men and research students, meets in the fall of each year and establishes the grades for wheat that may be considered in the secondary class as to quality. Canadian government appoints the board.

Unchangeable Standards

Statutory grades are the important grades established by Act of Parliament, which do not vary with the crop, but are standards of quality from year to year and in all grain trading. The "statutory" grades include all grain of superior quality. For spring wheat, for instance, there are four of these constant unvarying grades.

One Hard. No. 2, Northern.
No. 1, Northern. No. 3, Northern

There are many lesser grades in the non-statutory classes. As many as 200 different grades of wheat may actually exist and be bought and sold. But on the grain exchange only six are quoted. These are divided into many subsidiary classifications, but these subdivisions are ignored in grain trading on the exchange. Some explanation of this may be necessary. If so many grades exist and are bought and sold, how is it that trading may ignore the different subsidiary grades? It is because fixed "spreads" of price are set up between wheat of a quoted grade and wheat of a grade not quoted. The other grades follow the quoted grains up and down and although not quoted, are bought and sold on the floor of the exchange at prices that are established by reference to the quoted prices of statutory grades. For the purpose of understanding the system of grading it is not necessary to list all of the different subdivisions in grading. Only the four mentioned are fixed by act of Parliament. The next general group of grades, the commercial grades, are fixed as we have seen, by a standards board each year.

Grain Stored by Grades

Whenever grain is stored in Western Canada it is stored by these grades. No attempt is made to keep any one shipment of grain separate from others of the same grade after it has been inspected, and/or after the grade has been agreed upon between buyer and seller. This reduces handling costs very materially. If it were considered necessary to keep every individual shipment of grain separate all down the line the cost of handling would be prohibitive. But when the grade of a shipment has been fixed, grain of other shipments may be poured with it. A man who buys 10,000 bushels of No. 2 Northern Smutty, let us say, is satisfied if eventually 10,000 bushels of wheat grading that is delivered to him and he cares not whose grain he gets. He knows that he can rely upon the grading. It is important for these reasons that the grading of every shipment be accurate and that no mistakes be made in shipping or storing.

Thus upon the grain inspectors of Western Canada there falls no easy task. They stand between two opposing interests, the farmers and the millers, the one naturally wanting his wheat grade raised, and the other watching carefully to see that nothing is put over him. In the height of the season, they must work at top speed to keep up with the grain movement. They can have few mechanical aids, but must rely upon the sense of sight, smell and touch to a large extent. Their work is of supreme importance, for upon their verdict, which is based upon their mature judgment, depends the price per bushel the farmer will get and the buyer will pay.

Grain inspectors are appointed after careful examination and without political patronage.

Winnipeg Chief Centre

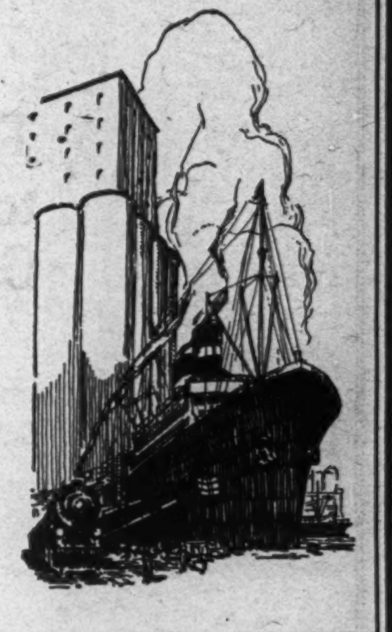
Winnipeg is the chief inspection centre, for through Winnipeg passes practically every bushel of wheat shipped eastwards. There are grain inspection centres at other local points for shipment going west or south.

Winnipeg is a railway centre. Trainloads of grain come from all over the prairies to Winnipeg, are broken up and made up into new trains to go to the eastern terminals. Every load must be inspected, although at the height of the season as many as 2,000 cars a day of grain will pass through. Samples are taken from the cars by crews of men who rush the samples to the inspection office uptown. Here an immediate grading is given and a certificate issued and mailed to the person interested. The grain is taken into the elevator terminal at Port Arthur or Fort William on the basis the grade granted at Winnipeg, although a second inspection at this point may be demanded and obtained if there is reason to believe that a mistake has been made.

Provision is made for appeal to a survey board appointed by the government.

While a very large proportion of the grain shipped out of Western Canada grades into the higher levels, it must not be assumed that No. 1 Northern, which is more discussed than any other wheat, is the only product of the Canadian wheat grower. For the wheat year, 1925-26, the following was the division of the cars inspected in the western grain division:

Manitoba hard	196,980
No. 1 Northern	78,872,400
No. 2	95,090,420
No. 3	48,525,420
No. 4	11,136,740
No. 5	3,376,800
No. 6	695,460
Rejected	967,480
No grade	101,038,680
Durum grades	7,442,360
Others	1,661,260
Total	352,509,780


From the Prairie to the Sea

BACK of every farmer—back of every harvest—back of every movement of Canada's wheat crop from the prairie to the sea, stands the Bank with its money and its service.

With the largest number of branches—in city, town and village—in Western Canada and throughout the Dominion, this Bank plays a vital part in financing business, trade and agriculture.

Because of the variety of service made possible through our network of branches, a banking connection with The Royal will be of constant benefit to you and your business.

The Royal Bank of Canada

You Will Like Banking at The Royal

Twenty One Years of Successful Achievement

Over Fifty Millions Assurance in Force

Branch Offices From Coast to Coast

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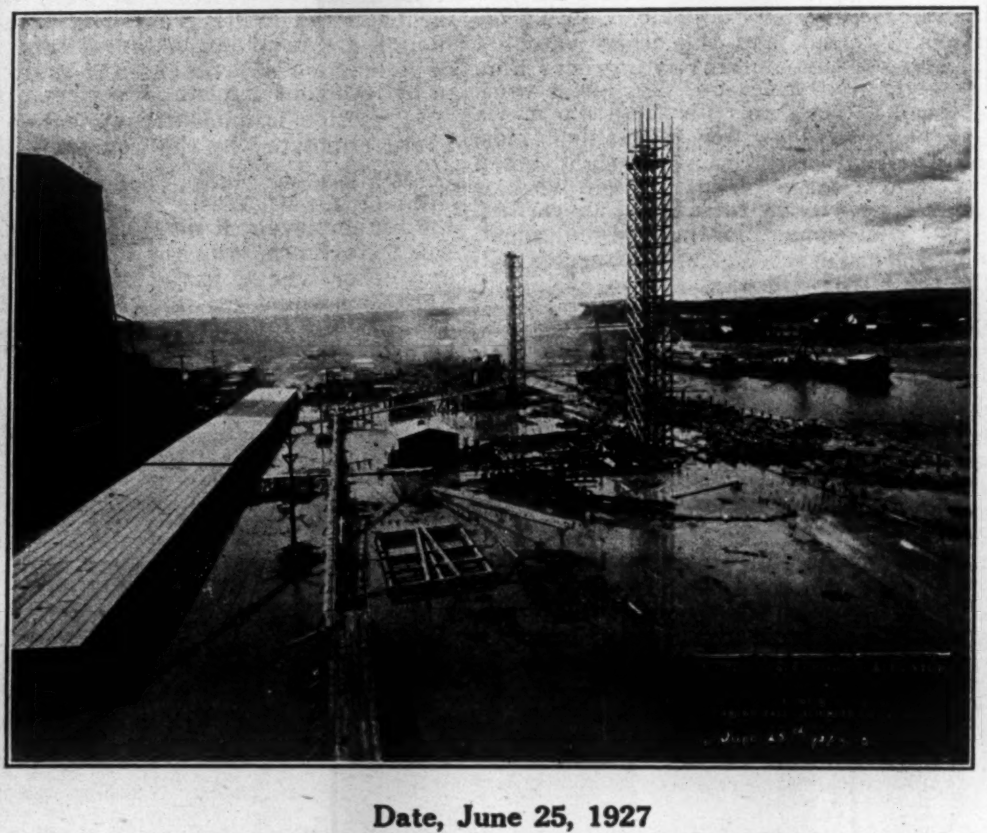
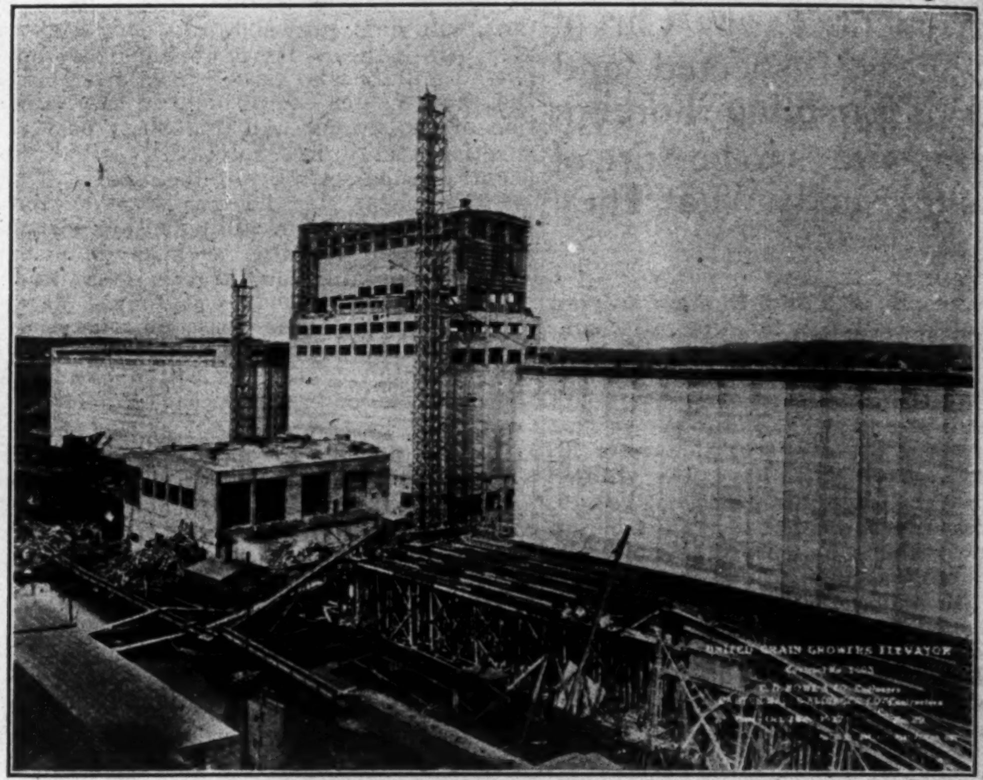
HEAD OFFICE - - - WINNIPEG



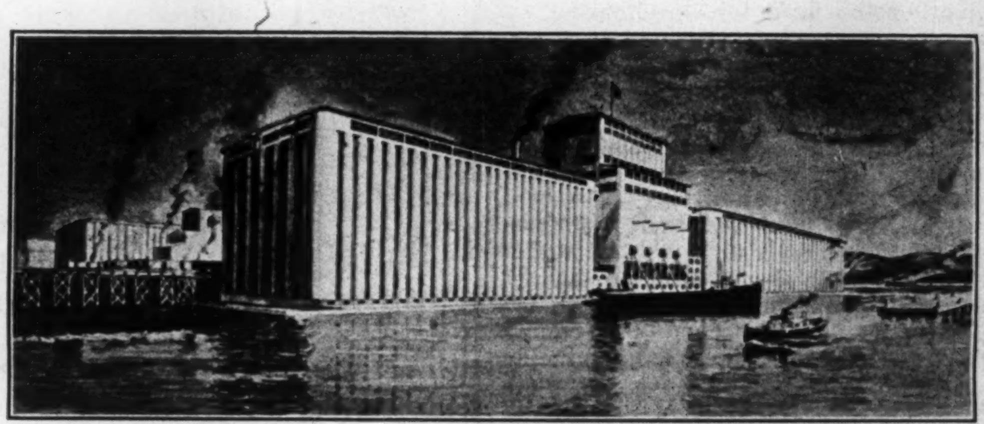
Date, June 25, 1927
Pile driving well started and construction plant being erected.



Date, October 26, 1927
Four months later. Buildings practically completed and equipment being installed.

5,500,000 bushels capacity

Completed in less than eight months from date foundations were started.



New Terminal Elevator at Port Arthur, Ont., for United Grain Growers Ltd.

C. D. Howe & Co., Engineers.

Partial list of materials used in construction

16,000 piles.
4,000,000 feet lumber.
2,000 tons reinforcing.
75,000 cubic yards aggregate.
100,000 barrels cement.
1,000 tons steel spouting and plate work.

This is the latest of a group of terminal elevators with a total capacity of 16,000,000 bushels built by us in Western Canada during the last five years and including the following:

Bawlf Terminal Elevator - - - - Port Arthur, Ont.
Stewart Terminal Elevator - - - Port Arthur, Ont.
Canadian Government Elevator - Edmonton, Alta.
Canadian Government Elevator - Prince Rupert, B.C.

CARTER-HALLS-ALDINGER CO. LTD.,

Contractors

WINNIPEG **VANCOUVER**

Skill *Integrity* *Responsibility*

Gigantic Elevators Serve Grain Trade in Variety of Ways

Public Elevators Are Primarily Storage and Handling Propositions, While Private Elevators Are Commercial Units, Touching Only Grain Bought by Their Owners

The great terminal elevator system of Canada has been a logical development of Canada's important position in the grain trade. In getting the crop to market, many functions of transportation, handling and storage are performed by different agencies. Elevators must be provided and have been provided for the two purposes of storing grain for short or long periods and for transferring grain from train to boat, from one type of boat to another, and even from boat to train.

Thus we have at various centres in Canada immense grain elevators. Port Arthur and Fort William are, of course, the outstanding centre of grain elevators because these cities, being at the "head" of Canada's great inland sea, are the nearest point to the Atlantic at which grain from the West can be unloaded from cars and placed aboard boats for more economical transportation. These two cities have elevators with capacity of 70,000,000 bushels at any one time, but Montreal, Halifax, Saint John, Vancouver and other cities have large grain elevators.

Three Types of Elevators

In order that the reader may have clearly in his mind the picture suggested when the word elevator is used, let us indicate first of all that there are three different types of elevators in Canada:

- Country elevators;
- Public elevators;
- Private elevators.

The work performed by the country elevator is to collect the grain from the farmer and to transfer it to railway cars. Country elevators are small, usually buildings costing about $12,000 and with storage capacity of about 30,000 bushels. Country elevators are peculiar to Western Canada. (The country elevator system of Western Canada is the subject of a separate article in this issue.)

Public Elevator System

Public elevators are large storage elevators that also perform other functions such as transshipping, drying, etc. Sometimes they are terminal elevators and sometimes they are not. It should be understood that the word "terminal" in Canada has a purely specialized legal significance indicating elevators that are inspection points for outward-bound grain. In a sense all elevators are "terminals"; but if grain is not inspected in them, the law does not call them that.

Private elevators are elevators that store only the grain of their owners and do not do any contract or custom storage or handling.

Difference Between Types

The public elevator is primarily a storage and warehouseman's proposition. The private elevator is part and parcel of the marketing system of the large grain-trading firm that wishes to handle as many processes as possible, from the purchase of the grain through to the consumer.

All classes of elevators are licensed by the Board of Grain Commissioners for Canada and are subject to very strict rules and regulations under government control.

Head of Lakes Most Important

So far as Western Canada is concerned, the two chief locations for public elevators are the head of the lakes — Fort William and Port Arthur—and Vancouver, with the head of the lakes taking by far the largest proportion of Canadian wheat handling. Both the head of the lakes and Vancouver are inspection points and, therefore, have "terminal" elevators. Montreal, Halifax, Quebec, Saint John and other eastern centres all have public elevators to handle grain for all comers.

Public elevators are operated by various groups. The railways own such elevators; the government of Canada has built a number, and private companies operate public elevators. There are elevators owned or leased by the Wheat Pool and elevators owned by at least one farmers' joint stock company. The western farmer, or grain trade shipping wheat to a terminal elevator can make a choice from this widely-varied group of ownership classifications.

The railways got into the public terminal elevator system chiefly in order to get the system started. But they prefer to lease their elevators to private companies to be operated in connection with lines of country elevators.

The government went into the operation of public terminal elevators in response to a demand of the western farmers who felt that this would insure them of better and cheaper service. But the farmers have not followed up this demand by shipping their grain to the government elevators. The government elevators are often half-empty, while the privately-owned elevators are full.

Private Ones Most Successful

The privately-owned public terminal elevators have proven most successful. This is because they are operated not as units, but as divisions of a complete grain-handling chain of service which starts with the country elevators. The companies have their country elevators feed the terminals; in addition they have facilities to buy and sell wheat on the track or on the exchange; they are complete organizations within the grain trade.

While terminal warehousing of grain is an important business in itself, it is closely interrelated with the buying of grain at country points and with the financing of grain. The grain is all harvested within a month, but its consumption is spread out over a period of twelve months. From the date it is sold by the producer to the date it is received by the miller or exporter, the grain must be stored, insured, moved and, above all, financed. Thus a chain of service is needed and in this chain the terminal elevator is but one important link.

How Terminals Make Money

Terminal warehouses make their money in one way: by handling a large volume of grain at small fees. The charge for handling any single bushel of grain, for taking it into the elevator, for drying or cleaning it, for storing it, or for loading it on a boat, is very small. But when this charge can be multiplied by the handling of many millions of bushels in one year, it produces a revenue that makes profitable operation of a public terminal warehouse possible.

In addition to the public elevators at the head of the lakes, and in Vancouver, there are other public terminal elevators in interior points in the prairies and other public elevators in eastern centres. The interior elevators in the prairies are in the control of the Dominion government.

Eastern Public Elevators

There are numerous "public elevators" in Eastern Canada. They are not inspection centres, as there is no further inspection of grain after leaving Port Arthur. Nor are they primarily storage or clearing elevators. Their chief job is in connection with transfer. They are in reality part of the transportation machinery, equipped to transfer grain already graded and cleared from the boat to bin, and from bin to car or ocean steamer.

Services of Private Elevators

The public terminal elevator is, as we have seen, primarily a warehousing proposition existing to store and handle grain, at a fee, for all who may wish to use its services. The private elevator is run on different linese, although it may physically be exactly the same type of structure. Its job is to handle grain purchased outright by its owner. That owner may be a private grain company; it may be the Wheat Pool; it may be a milling company; it may be a farmer-owned company; in any event it will be some organization interested in marketing grain.

Where a public elevator operates to earn warehouse fees, a private elevator depends upon commercial profits. It is likely to assume greater risks in the hope of greater returns. The private elevator, or its owner, may make considerable money out of mixing various grades of a grain in order to produce a single grade that will bring a higher market price than the grain before mixing would have brought. They receive wheat of various grades and produce several grades that the world's markets will buy. They provide a ready market for grades of wheat that would not readily be purchased in its original condition.

Less Under Public Control

Private elevators have developed more rapidly than public terminal elevators. While some grain-marketing organizations operate both types of elevators, private capital is turning more and more to the operation of private elevators. Private elevators are not subject to the complete system of supervision by the government through the Board of Grain Commissioners that is enforced against the public elevators. While the grain is inspected in and out and weighed in and out by government inspectors, the elvators are left free to operate much as they please. They can mix and blend at will.

Terminal Elevator Fees at Lake Head

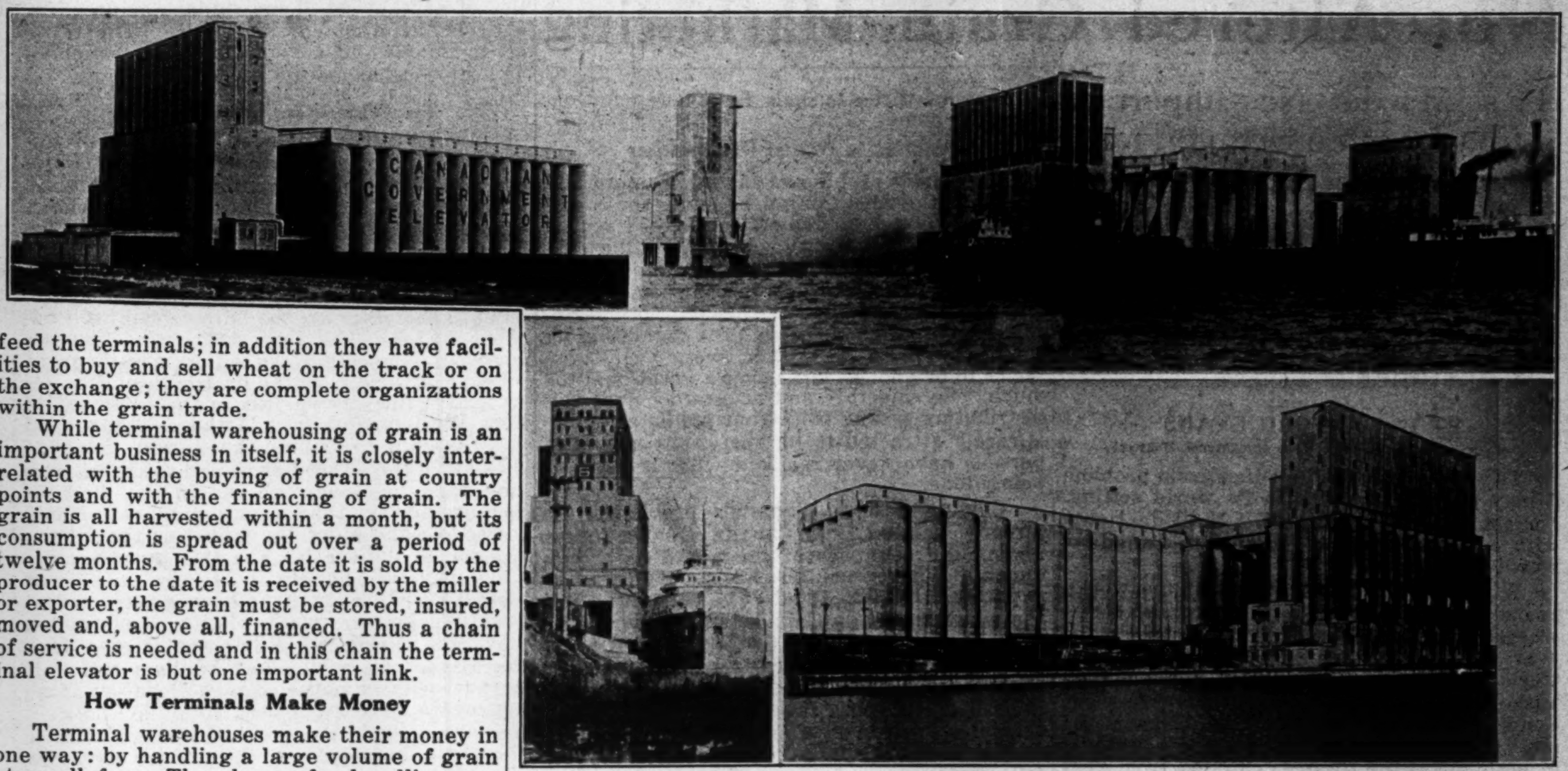
Elevator charges at the head of the lakes are necessarily complicated. However, the principal charges may be briefly summarized.

The charge for receiving, insuring, storing for fifteen days and then shipping wheat is 1¼ cents per bushel.

After fifteen days storage and insurance amount to one-thirtieth of a cent per bushel per day or about one cent a month.

The fees are fixed by the Board of Grain Commissioners for Canada.

Terminal Elevators in Every Part of Canada Keep Grain Flowing



Several of the units in Canada's vast chain of terminal elevators are shown here. Upper left is an interior terminal elevator at Saskatoon, while the other pictures were taken at Port Arthur and Fort William. Photographs are from Natural Resources Intelligence Service, Ottawa and Ca nadian Pacific Railway.

Grain Elevator System of Canada

(Apart from Country Elevators)

(Including only Elevators of 100,000 Bushels or More Capacity, corrected to Nov. 1, 1927)

ONTARIO

Fort William-Port Arthur (Bushels Capacity)

	Fort William	Port Arthur
Public Terminal Elevators—		
Canadian Government Elevator	......	3,250,000
Grand Trunk Pacific Elev. Co.	5,750,000	......
Northland Elevator Co.	7,500,000	......
Ogilvie Flour Mills Co.	2,000,000	......
Sask. Pool Terminals Co. No. 6	......	7,500,000
Sask. Pool Terminals Co. No. 4	......	6,425,000
Private Elevators—		
Bawlf Terminal Elev.	......	2,350,000
Bole Grain Co.	1,000,000	
Consolidated Elevator Co.	1,750,000	
Can. Co-Op Wheat Prod. No. 3	225,000	
Can. Co-Op. Wheat Prod. No. 2	......	575,000
Can. Co-Op. Wheat Prod. No. 1	......	1,300,000
Eastern Term. Elev. Co.	......	3,500,000
Empire Elev. Co.	1,750,000	
Fort William Elev. Co.	1,750,000	
Grain Growers Exp. Co.	2,500,000	
Northwestern Elev. Co.	3,000,000	
N. M. Paterson & Co.	2,500,000	
Reliance Terminal Elev. Co.	......	1,450,000
Stewart Terminals	......	2,000,000
Superior Elev. Co.	......	900,000
Sask. Pool Terminals Co. No. 5	......	2,100,000
Thunder Bay Terminal Elev. Co.	......	1,500,000
Union Terminal	......	1,100,000
Western Terminal Elev. Co.	3,100,000	

Port McNicoll

Public Elevator—	
Canadian Pacific Railway	6,500,000

Toronto

Public Elevator—	
Maple Leaf Milling Co.	350,000

Collingwood

Public Elevator—	
Edward R. Bacon Grain Co.	150,000

Depot Harbor

Public Elevator—	
Donahue Stratton Company	1,750,000

Midland

Public Elevator—	
Midland Simcoe Elev. Co., Ltd. (under construction))	2,000,000
Canada Steamship Lines	4,000,000

Port Colborne

Public Elevators—	
Canadian Government Elevator	2,000,000
Maple Leaf Milling Co.	1,500,000

Sarnia

Public Elevator—	
Sarnia Elev. Co., Ltd. (under construction)	1,000,000

Tiffin

Public Elevators—	
Canadian National Railways	4,500,000
Aberdeen Elevator Co.	1,000,000

Keewatin

Private Elevators—	
Lake of Woods Milling Co. (2)	1,300,000

Kenora

Private Elevator—	
Maple Leaf Milling Co.	450,000

Goderich

Public Elevators—	
Goderich Elevator & Transit Co.	1,000,000
Western Canada Flour Mills	600,000

Kingston

Public Elevator—	
James Richardson & Sons	250,000

Owen Sound

Public Elevator—	
Great Lakes Elevator Co.	2,000,000

MANITOBA

Portage La Prairie

Private Elevator—	
Lake of Woods Milling Co.	125,000
Lake of Woods Milling Co., Ltd. (Elev. E)	100,000

St. Boniface

Private Elevators—	
N. M. Paterson & Co.	135,000
Red River Grain Co.	150,000
Western Canada Flour Mills	750,000

Winnipeg

Private Elevator—	
Ogilvie Flour Mills (2)	575,000

Transcona

Private Elevators—	
Dominion Malting Co., Ltd.	1,000,000
Wiley Low & Co., Ltd.	1,000,000

SASKATCHEWAN

Moose Jaw

Private Elevators—	
Robin Hood Mills	907,000
Public Terminal Elevator—	
Canadian Government Elevators	3,500,000

Saskatoon

Private Elevators—	
Quaker Oats Co.	500,000
Public Terminal Elevator—	
Canadian Government Elevator	3,500,000

ALBERTA

Calgary

Private Elevators—	
Western Canada Flour Mills (2)	330,000
Robin Hood Mills	600,000
Alberta Pacific Grain (1)	250,000
Spillers Canadian Milling Co., Ltd.	520,000
Calgary Term. Grain Co., Ltd.	140,000
Public Terminal Elevator—	
Canadian Government Elevator	2,500,000

Edmonton

Private Elevators—	
Ogilvie Flour Mills	120,000
Gillespie Grain Co.	100,000
Edmonton Terminal Grain Co.	140,000
Public Terminal Elevator—	
Canadian Government Elevator	2,500,000

Medicine Hat

Private Elevators—	
Lake of Woods Milling	225,000
Ogilvie Flour Mills Co.	300,000
Hedley Shaw Milling Co., Ltd.	175,000

BRITISH COLUMBIA

Vancouver

Public Terminal Elevators—	
Vancouver Harbor Commission No. 1 (Leased to Pacific Terminal Elevator Co., Ltd.)	2,100,000
Vancouver Harbor Commission No. 2 (Leased to Alberta Pool Elevators Ltd.)	1,500,000
Private Elevators—	
Burrard Elevator Co.	630,000
Vancouver Milling and Grain	200,000
Columbia Elevator	100,000
Alberta Wheat Pool	2,500,000
Vancouver Terminal Co., Ltd. (Under construction)	2,250,000
Vernon and Buckerfield (Under construction)	200,000

Prince Rupert

Private Elevator—	
Alberta Wheat Pool	1,250,000

QUEBEC

Montreal

Public Elevators—	
Montreal Harbor Commissioners (4)	12,160,000
Ogilvie Flour Mills (2)	1,150,000

Quebec

Public Elevators—	
Quebec Harbor Commissioners	2,000,000

MARITIME PROVINCES

St. John, N.B.

Public Elevators—	
Canadian Pacific Railway (2)	1,700,000
Canadian National Railway	500,000

Halifax, N.S.

Public Elevators—	
Canadian National Railway	500,000
Canadian Government Elevators	1,000,000

Wheat Pool Has Not Improved Nor Altered Grain Marketing

Has Made No Important Change in Collection, Transportation or Selling System Built Up Through Centuries—Description of How Canadian Wheat Crop is Sold and Transported to the Consumer

By W. SANFORD EVANS

In address to Convention of Cost Accountants, Montreal

To understand the Canadian grain problem it may be well to see it in its world setting. For simplicity of treatment, I shall deal only with one of the grains handled in Canada—wheat.

Wheat is grown in all parts of the world, and in some 70 different countries, and somewhere wheat is harvested every month in the year. The total wheat production in the world varies probably between 4,400 million bushels and 4,700 million bushels per year. For several countries, of which China is the most important, no definite statistics are ever available, and the figures compiled from year to year as the total of world production represent only approximately 80 per cent. of what is actually grown in the world, or an average of about 3,600 million bushels. There is a tendency for both the production and the consumption of wheat to increase in the world. The consumption of wheat increases at least in proportion to the increase in population in wheat eating countries. There are undoubtedly more persons in the world who eat no wheat than there are who eat some wheat, and the process of conversion of non-wheat eaters into wheat eaters has not been rapid in the past. Wheat, of course, is only one among very many foods, although it is one of the very best, but even for wheat eaters there are many partial substitutes, the principal of which are rice and rye among the grains, but corn, oats and barley must also be included, as well as potatoes and other vegetables. Indeed, any kind of food may be at least a partial substitute for wheat and the world's wheat problem is therefore related to the whole food problem of the world.

Mostly Grown in North

By hemispheres, something over 90 per cent. of the world's wheat is grown in the northern hemisphere, and something less than 10 per cent. in the southern hemisphere. In that part of the northern hemisphere which lies within the northern temperate zone about 75 per cent. of the world's crop is grown, and all this vast quantity is harvested within three or four months of the year, while 90 per cent. of the whole is harvested within six months. These figures indicate the magnitude of the wheat storage problem, for what is gathered within a few months must be made available for consumption fairly evenly throughout the whole year.

Looked at by continents, it is of particular interest to note that Europe stands first in wheat production. In a good year Europe may produce as much as 1,800 million bushels of wheat, or four and a half times a large Canadian crop. North America stands second among the continents and Asia third.

Canada Probably Fourth Producer

Among the individual countries, the United States is the largest producer, with Russia second. There is little doubt that if the facts were known China would stand not lower than third upon the list. In recent years, Canada would come next, followed by India, France, Argentina and Italy.

Some countries produce more wheat than they consume and some less, and from this standpoint the world is divided into surplus and deficiency countries. The movement of wheat and flour from surplus to deficiency countries constitutes the international trade in these commodities. During the past few years the average quantity thus moving in international trade has been about 725 million bushels per year. This represents approximately one bushel out of every six bushels grown in the world.

Put in another way, five bushels of wheat are consumed in the countries where grown for every one bushel which moves from one country to another for consumption. Europe, which as a continent, is the greatest producer, is made up of some surplus and many deficiency countries, but on balance Europe is the great import market for wheat and flour, its deficiency countries taking each year from 75 to 85 per cent. of the total quantities moving in international trade. Europe grows about three times as much as she imports, which means that every bushel exported to Europe must meet the competition of three bushels of domestic wheat, as well as that of varying quantities of partial substitutes. The United Kingdom is the most important of all the deficiency countries in the world, for it imports four bushels of wheat and flour for every one bushel produced at home, and absorbs one-third or more of all the wheat and flour imported by Europe. Canada has become the chief exporting country, selling abroad each year about three bushels for every one consumed at home.

Problem Is One of Distribution

The wheat problem is to gather, store and distribute the wheat produced under the conditions thus noted, and so efficient is the system which has gradually developed that no consuming community in the world, willing to pay for wheat, ever lacks or ever becomes overloaded with supplies. Consumption is adjusted to production through the regulating influence of price, so that in every year there seems to be enough and never a great deal too much. So smoothly and accurately does this distributing system work that public attention is rarely attracted to its operations and most persons have never realized what is actually being done.

Coming now to Canada's problems. As already pointed out, Canada stands fourth among the countries of the world as a producer, and in recent years has stood first as an exporter. In 1926 about 93½ per cent. of all the wheat grown in Canada was grown in the three Prairie Provinces. Canada's wheat problems are therefore, peculiarly, problems of these three provinces, and it is from that standpoint I will discuss the question. Athough from these provinces wheat moves west as well as east, I will, for the sake of brevity, deal only with the movement east. The principles and general features are much the same in both cases.

Grain Marketing Machinery

Before making reference to co-operative wheat trading movements of the subject, I shall briefly describe the regular system as it has been developed through centuries of experience, and as is still exists. Both in equipment and in methods, this system, as it exists in Canada, is more highly developed than in any other country.

Wheat must be moved from the producer to the ultimate consumer, no matter in what part of the world the latter may be. The producer controls his own product on the farm and is free to move it to market whenever he so chooses. The consumer on the other hand, buys wheat and wheat products only as he needs them. Wheat, therefore, comes on the market on the initiative of one set of individuals, and is taken off the market on the initiative of another set of individuals, actuated by entirely different considerations. The farmer dominates the movement at its beginning and the consumer at its end.

Two-Thirds in Three Months

In the Prairie Provinces, the farmers regularly deliver in the month of September, October and November something like two-thirds of their total marketable surplus of wheat. The ultimate consumers, at the other end of the line, buy their flour and bread fairly regularly day by day, or week by week, throughout the whole year. The adjustments of one movement to the other are made in certain well defined stages. The first stage, of course, or zone, in connection with the movement of wheat eastward from the Prairie Provinces lies west of a line drawn just to the eastward of Fort William and Port Arthur. The second zone extends to include the storage points to the east of the Great Lakes, and the third zone embraces the ocean ports. In the first, or primary market zone, provision must be made to receive and move the wheat as the farmer chooses to deliver it. For this purpose over 4,300 elevators, having an average capacity of 30,000 bushels each, have been constructed at country points, with large government elevators at Calgary, Edmonton, Moose Jaw, and Saskatoon, while Fort William and Port Arthur, with immense storage elevators of an aggregate capacity of over 60 million bushels, have been made the greatest storage point in the world. In addition to the country elevators, the railways have provided some 2,000 loading platforms.

Options Given to Farmer

In the Prairie Provinces the farmers may deliver at the rate of five million bushels a day for many days in succession, or almost at the rate of two tons of wheat per second. At the country delivery points the farmer has several options as to what he will do with his wheat. If he and the elevator agent, or other grain buyer at that point, can agree upon price and grade, the farmer can sell his wagon load for spot cash. Wheat so dealt with is known as "street" wheat. If he does not wish to sell the farmer can deliver the wheat to an elevator for storage and the maximum rates that can be charged him are fixed by a government commission. As another alternative the farmer may order a car to a loading platform and there load his own wheat without using an elevator. If he has placed his wheat in storage to the quantity of a carload, he may order a car to the elevator. When loaded on the car, wheat becomes what is known as "track" wheat, for which there is always an open market, and the farmer may sell his carload at any time before its arrival at Fort William or Port Arthur. When the wheat is placed in storage at the terminals it becomes what is known as "spot" wheat, which is traded in daily on the Winnipeg Grain Exchange. If the farmer does not sell on street or on track, the practice is to forward the bill of lading to a commission merchant who will sell it any time thereafter on instructions of the farmer. Against grain stored and grain consigned the dealers will make a substantial advance to the farmers when desired and remit the balance in full immediately upon the sale being made. Wheat is one of the few commodities for which spot cash is paid in any position.

Important Work of Railways

The Canadian railways, of course, play a very important part in the grain-handling system. In the autumn they must provide sufficient rolling stock in the Prairie Provinces to move the grain from country points at a rate sufficient to prevent congestion in the country elevators, even during the greatest rush of deliveries, and an average of 2,000 cars of wheat, in addition to other grains, is frequently loaded and moved by our railways over a period of several weeks.* As the wheat passes through government inspection points, the principal of which is Winnipeg, each car is thoroughly sampled and then graded by the government inspection staff. In the heavy shipping season as many as 3,000 cars of wheat are sometimes inspected at Winnipeg in 24 hours, and a train of 40 loaded and inspected cars of wheat leaves Winnipeg for the head of the lakes every 25 minutes day and night during the rush period. There is at no other point in any country a wheat movement comparable to this in magnitude. When the wheat arrives at Fort William or Port Arthur, government inspectors again examine it, and it is cleaned or treated where necessary and placed in bins according to grade. In the terminal elevators it is now on the primary cash market, and all price quotations on the Winnipeg Exchange are on wheat in store in these elevators.

Into Second Stage

The first general stage of the movement ends with the binning of this wheat at Fort William-Port Arthur. The function of the primary merchant has been performed. Regularly wheat changes ownership at this point, or, when it continues to be handled by those who have moved it from country points, it is under a different function. Fort William-Port Arthur ships more grain than any other port in the world and has a more efficient system. Wheat is moved forward from the terminals by the classes known as shippers or exporters. In the first place, wheat is moved during the period of open navigation to meet current export demand and the demand from eastern Canadian mills, but there is also moved forward before navigation closes a quantity estimated to be sufficient, or almost so, to supply the demand during the winter months. Lake and rail rates are lower than all rail rates, and advantage is taken of this fact. The function of the shipper is to move these quantities to the other side of the lakes for sale there, whereas the exporter, who may also be a shipper, does business beyond that stage. The large part of the wheat moved across the lakes which is not sold at the time of shipment is placed in certain strategic positions from which a wide range of ports may be reached. The Lake Erie ports in the United States, and elevators of sufficient capacity have been erected at these points to take care of this business.

Consumption Rules Shipments

Wheat goes out on the ocean in accordance with the consumption demand in importing countries and not according to the convenience or preference of the exporting country. Europe, for example, does not attempt to store imported wheat in large quantities, but draws it as required, the visible reserves of such wheat being found in the large quantities always afloat on the ocean. Canadian wheat and flour leave North America every month in the year, and the differences in the monthly shipments are not as great as might be supposed. The ocean movement of these Canadian products is rather surprisingly regular. From country deliveries, with an immense autumn peak load, the movement is adjusted in the three stages mentioned to a fairly even ocean flow dictated by the needs of consumers.

That this big and complicated movement should proceed with despatch and without confusion, although it may involve at every stage one or more changes of ownership. It is obvious that facilities must exist for buyers and sellers to come together and agree upon a price. Great market places for grain are provided in the central grain exchanges of the world, of which Winnipeg is one of the most important.

Functions of Exchange

The Winnipeg Grain Exchange is a voluntary association for the purpose of supplying a suitable room in which traders can meet. This room is equipped with all facilities, such as telephone, telegraph, etc. The Grain Exchange also gathers information regarding grain all over the world, and makes it public in this room. It lays down rules for the conduct of business on the floor and fixes certain brokerage and commission rates. It has devised ways

(Continued on page 39)

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*The deliveries totaled over 8,000,000 bushels in certain days this season.

Behind Picturesque Trading Scene Is Smooth-Working Machinery

It All Seems Confusing to Visitor to Winnipeg Grain Exchange, But Men on Floor Know Exactly What They Are Doing

By JOHN DUKE

A twist of the wrist, two fingers poked in the air, a nod from across a noisy pit, and thousands of bushels of wheat change hands. It is all very mystifying to the casual visitor, stepping into the Winnipeg Grain Exchange for the first time. But within this noisy bedlam, where sane men shout and a hundred arms wave wildly for a few hours each morning, there is a clear smooth-running idea. Behind the wheat pit stands the most scientifically organized business mechanism in the whole world.

Breaking Speed Records

An English miller telephoned to his grain broker in Liverpool to buy him Canadian wheat. The Englishman cabled to his agent in Winnipeg. The Winnipeg office telephoned to their man on the floor of the exchange who bought the wheat and notified his office. The office cabled back to Liverpool, and the Liverpool broker notified his client that the wheat was bought.

How long do you think it was between the two telephone calls in Liverpool? One hour? Two hours?

No; it was exactly fourteen minutes. Most of that time was taken up in getting cable messages both ways across the ocean. Yet fourteen minutes is not the record. Winnipeg grain men say orders have come from Liverpool, been filled and confirmed in less than fourteen minutes.

The further processes of getting the purchased grain into the hands of the English miller operate just as smoothly and regularly as the actual purchase transaction itself.

Honor Is Basis of Trading

Business on the Winnipeg Grain Exchange depends upon the honor of the men on the floor. When wheat or other grain is bought and sold, there are only a few hours to do an immense amount of business, thirty-five or forty million bushels on a moderately busy day; 80 million bushels in one memorable, hectic day. There is no time for drawing up lengthy documents to be signed by the two agents to the deal. A second must conclude one transaction, so that the floor man can get on to another. He has an order to buy grain; he shouts his bid, supplementing it by a signal with his fingers that the other men understand. Some one gives him a nod, a signal, a couple of words perhaps, and the transaction is over. Each man writes it down cryptically on a card upon which he records his day's purchases or sales. The price is understood and the quantity; the firm represented by the other broker or dealer is recognized. At the end of the day a clearing house gathers in the cards and sorts out the different transactions. Rarely there is a mistake or some misunderstanding. But very rarely, and then a board of arbitration settles it. No man attempts to evade a sale or purchase. Once he might get away with it; even twice. But the third time he would be put out of the exchange. A man could not have three suspicious misunderstandings in a row.

Letting the World Know

As soon as a sale is consummated between two traders the price is posted on a large blackboard. Above the heads of the shouting traders in the "pit" stands an eagle-eyed youth who knows every face and every signal. When a sale is completed he spots it at once, knows the price, the terms, the grade of wheat, the quantity and so on. He has a telephone mouthpiece attached around his neck and as the trading goes on he speaks a running account of it into the mouthpiece. The receivers are clamped on the ears of the chalk-boys at the blackboard a few feet away, and they post up the quotations. Another blackboard stands in front of the army of telegraph operators who send the quotations to brokers, grain houses, milling companies, etc.

Facts From World Over

The grain exchange posts not only its quotations but transactions from all over the world. Reports on the condition of crops in every wheat-producing country; quotations from other grain markets; statistical summaries of deliveries and "visible supply;" all these come in and go out to other people.

Through the medium of the Winnipeg Grain Exchange, the Western farmer at different times of the day can learn and does learn more about the factors governing the price of his principal commodity than any other producer anywhere else in the world. Telegraph, telephone, radio and the printing press keep him posted.

A visit to the grain exchange is confusing to the average person the first time he goes there; but the grain men know what they are doing.

Canada Could Store 300,000,000 Bushels of Grain at Once

In Canada there is storage capacity for 300,000,000 bushels of grain. The crop in 1927 amounts to 450,000,000 bushels. Thus two-thirds of the entire Canadian crop could be stored at one time in the elevators of the country.

Of course, it is never necessary for such a large quantity of grain to be stored at one time. But elevators have to be built to give service to peak loads. An exceptionally large crop, showing on the present acreage of 22,000,000 acres, the average yield of 1915, which was just under 26 bushels to the acre, would provide 550,000,000 bushels of grain, and this would tax the capacity of the elevators even on a basis of continuous movement during the crop-moving season.

This year, more country elevators were built than in any other year on record. At least 350 new ones went up, as against about 300 in 1915-1916.

Canada's elevator system may be summarized as follows:

	Number	Capacity Bushels
Country elevators	4,800	160,000,000
Manufacturing elevators .	9	2,300,000
Public Term. Elevators...	16	55,000,000
Public Elevators	25	41,000,000
Private Term. Elevators..	69	40,000,000
		298,300,000

The country elevators are approximately as at the present time. The other figures are based upon government licenses issued for the 1926-27 season and do not include some additional capacity under construction.

Wheat Pool Has Not Yet Altered Grain Marketing

(Continued from page 38)

and means for securing the carrying out of all trades or contracts made by members, and it also provides for arbitration for the prompt settlement of any differences that arise. This, in brief, is all the Grain Exchange is or does. No grain is bought or sold by it, and it does not make or fix, but only records and publishes prices, and these prices are those which are made in open competitive trading on the floor. In the Winnipeg market-place buyers and sellers from all over the world meet in person or through their agents to sell and buy the Canadian wheat. More actual, or "cash" wheat is traded in on the Winnipeg Exchange than in any other market-place in the world.

Why "Futures" Trading?

Every buyer of any commodity incurs the risk that he may not be able to sell again without incurring loss. The risk of change of price is inherent in all commercial transactions. The primary merchant who to-day buys from the farmer for spot cash on the basis of current quotations on the Winnipeg Exchange may find, when he has moved this wheat forward to the terminals and is in a position to sell again, that the price has gone down or up many cents per bushel. On the other hand, it is necessary in the working of the world system that many persons should commit themselves to sales before they have been able to buy. Take the miller, for example, who in export or even domestic business must quote a price on flour for shipment many weeks in the future, although he has not in his bins the wheat from which this flour will be made. The flour price he quotes will be relative to the current wheat prices on the Exchange, and yet these prices may have gone to very different levels before he can buy his wheat. Exporters also must often commit themselves before they have actually purchased all the wheat they agree to sell. There are thus always in the market parties carrying risks, and, if the price should drop, one of these would lose and the other gain just by the amount of the decline, and if a rise took place their positions would be reversed. Suppose, however, that a method could be devised by which all these parties could, in effect, pool these opposite risks, the result would be that the element of risk would eventually disappear. Such a method has, in fact, been devised in the form of trading in what are called "futures."

Follows Supply and Demand

I cannot attempt a full discussion of the very interesting subject of "futures" trading. I am not sure whether grain dealers invented this method of insuring against risk, but the method has been more fully developed in connection with trading in grain than in the case of any other commodity, and, as a result of the large measure of protection afforded by "hedging" in the "futures" market, grain is bought and sold on smaller margins than any other commodity. "Futures" markets also, of course, afford opportunities for speculative transactions in expectation of a change in price levels. In so far as this speculation is intelligent and not in excessive volume, it performs an economic function of some importance. An occasional inrush into the market of a public mob proves temporarily a disturbing factor, but, as a matter of fact, the sensitive line of prices registered in the open grain markets of the world remains wonderfully true to the varying relation of supply and demand. Relative quantities determine price levels, and price changes regulate quantities used.

As a whole, the grain trading and handling system is more serviceable and more efficient than has been developed in connection with any other commodity. Canada has profited by the experience of all the rest of the world and has contributed improved methods of its own, so that in this country the system is more highly developed than in any other part of the world.

Where Wheat Pool Fits In

What now is the relation of the Canadian Wheat Pool to the grain trading and handling system as I have briefly outlined it, and what effects, if any, has the Pool had upon that system. The Canadian Wheat Pool, which is an experiment on a very large scale in co-operative trading, might be discussed from many points of view, but for the present purpose only its methods of handling and selling need be considered. The Wheat Pool has not introduced any new system in these respects, nor has it caused any observable changes in the established system. It is only in the method of distributing the returns of sales to individual farmers that any noticeable change has been introduced.

Procedure Remains Identical

Co-operative organizations have in many cases brought about bulk handling and grading, which are essentials of successful marketing, in commodities where these essentials had not existed, but the grain movement in Western Canada has all along been organized on the basis of bulk handling, and there is a compulsory grading system managed by the government and accepted as satisfactory by all the importing world. The Pool has had no effect on the way the farmer delivers his grain, and no effect on the way the consumer finally takes the wheat off the market. The adjustment of the one movement to the other must still be made, and it is made in the same way and at the same times as formerly. At country point Pool farmers have the same options as non-Pool farmers, and the procedure is practically identical in all cases. The Pool has been rapidly building or acquiring country elevators, but the great bulk of Pool wheat is handled by the private elevator companies under agreement with the Pool, the private companies financing the advance payments made to the farmers and all costs charges, and collecting from the Pool only on delivery of the wheat at the terminal. From Fort William-Port Arthur the same need exists for the Pool as for private traders, to move across the lakes sufficient wheat to meet probable demands until navigation re-opens in the spring, and the Pool ocean shipments must conform to the demand of importing countries.

No New Selling Methods

In so far as selling methods are concerned, many were led to expect that a new system could be introduced which would take the place of the Grain Exchange system, but no development in this direction has yet occurred. The Pool holds memberships in the Winnipeg Grain Exchange and regularly deals in both cash wheat and in futures on that market according to its judgment. As the Pool does not buy wheat from its members at fixed prices, but only makes a safe advance payment and finally returns to its members only the net amount actually realized, it is not under the necessity of hedging its purchases to the same extent as are private traders, but all those who purchase from the Pool must hedge just as before. In its function as an exporter, as distinct from its function as primary commission merchant, the Pool sells a big proportion of its wheat by direct negotiation with importers in other countries, but this is the regular procedure for all exporters, who every night send out their cable offers and every morning receive their acceptances or counter bids. The price basis on which importers deal with the Pool, as with all other exporters, is the current price on the Winnipeg Exchange. The Pool has become a very big trader, but in its operations has found it wise to use all the machinery and facilities that centuries of previous experience had devised. Improvements should always be contemplated as possible, and no doubt improvements will occur in the grain trading and distributing system, but no important change has yet been put into effect or proved out by the Pool in the way wheat is collected, moved or sold.

CANADA BELIES SIR WILLIAM CROOKES

In his presidential address to the British Association twenty-eight years ago Sir William Crookes said that the wheat acreage of the world could not be increased by more than 100,000,000 acres, and that this total would not meet the world demand longer than 1931. Recently a British scientist ventured to assert at the time that, to geographers, this seemed erroneous, and to forecast that Canada alone would do what Sir William Crookes suggested as the limit for the whole world; and he even risked the assertion that within one-third of the time the Dominion would be producing one-third of this total. There was, as Professor Lyde remarked, no real risk. Canada, with its 474,000,000 bushels in 1923, has done even better than was hoped; and the world, with only 50,000,000 extra acres under wheat, was producing by 1913 more than had been suggested as the utmost yield possible, with the utmost extension of acres (100,000,000) by 1931.

HEAD OF LAKES TO SEE ACTIVITY

Elevator construction at the lake-head, far from being at its peak, is just nicely started, according to W. A. Kingsland, general manager of the Canadian National railways, western region.

"Every year additional acreage is being seeded to grain," he stated recently. "While that continues, elevators must and will be constructed. Within the next few years you will see two or three large plants going up in Port Arthur."

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Admiring Observers Exaggerate Marketing Record of Wheat Pool

No Evidence of Increase Last Year and This Year Over Previous Periods—Pools Are Unimportant in Handling of Coarse Grain

Any attempt to give an account of the wheat marketing of Western Canada would usually begin by paying a tribute to the pools for their size and organization. So large is their business, so rapid has been their growth, and so widespread are their operations, as to compel the admiration of any observer. But big as they are, they have created an impression of being even bigger; and important as they are, they have seemed to be still more important. There is no danger of any reader minimizing their size. The danger to a correct impression lies rather in having their size and importance exaggerated.

It has been said that the wheat pools have 80 per cent. of western wheat under contract. It has been said that they are marketing 60 per cent. of the wheat. They have been given credit for a large measure of control of wheat prices. It is apt to be something of a surprise therefore, for the independent observer to arrive in Winnipeg and find that the market in the Grain Exchange is still functioning, to find the grain companies' offices going full blast. From a distance one might have supposed all the old machinery to have been discarded. Let no one blame the pools alone for any exaggerated impression. Their spokesmen have made some big claims, but admiring outsiders have thrust still greater honors on them, and still greater credit than they seem to have claimed for themselves.

Handle Less Than Half

How much of the current year's crop the wheat pool will handle is pretty much a matter of guess work, but there is reason to believe it will fall well below half the total. For 1926-7 complete figures are not yet available, but they can be completed by calculation. Only for 1925-6 are complete figures yet published. For that year they show:

	Wheat Pool Handling	Total Deliveries
Alberta	45,167,110	93,218,094
Saskatchewan ..	129,600,522	233,406,545
Manitoba	12,451,886	34,685,803
	187,200,000	361,310,422

Pool figures are from official pool reports. Figures for wheat deliveries are from the Canadian Grain Trade Year Book.

Worked out in percentages the pool handling by provinces was as follows in 1925-6:

Alberta, 49 per cent.
Manitoba, 33 per cent.
Saskatchewan, 56 per cent.
Three provinces, 52 per cent.

Gain One Per Cent. in Year

For 1926-7, only the Saskatchewan pool has published figures. They show 119,487,537 bushels as pool wheat out of total deliveries of 208,509,319 bushels in the province, or 57 per cent. That seems to indicate a slight gain for the pool in Saskatchewan as compared with the previous year, but the gain is very small compared to claims which have been made for rapidly growing acreage under contract.

Did Alberta Decline?

No figures seem to have been published showing the actual number of bushels of pool wheat in Alberta in 1926-7, but the total of the final payment to Alberta has been published, $4,198,587, as compared with $12,929,207 for Saskatchewan. If Alberta's payment was practically at the same acreage rate per bushel as Saskatchewan's (there are possible variations due to varying percentages of different grades issued) the Alberta pool can hardly have handled more than 40,000,000 bushels of wheat, while total deliveries in that province were 90,581,917 bushels. That means that the pool percentage appears to have been only 45 per cent., instead of 49 per cent. as in the previous year. That goes to support the idea frequently expressed in trade circles that the pool has been losing some ground in Alberta.

Too much significance should not be attributed to the drop in percentage, but it is important to note that in Alberta, where the pool has been established a year longer than in the other provinces, its proportion of wheat is very definitely under half.

A corresponding calculation for Manitoba shows that in that province the pool percentage is still far under half, although some gain appears to have been made from the 33 per cent. of the previous year.

For the three provinces, as a whole, it seems likely that the pool figures, when finally announced, of the handling in 1926-27 will show practically the same as the previous year, 52 per cent. of the total deliveries. Apparently, all the reported progress in signing up more acreage has not resulted in control of a greater percentage of the crop than in the previous year.

The pool percentage is likely to drop in the current year, 1927-28, for the reason that so large a part of the crop is found in Alberta, where the pool has much less strength than in Saskatchewan.

Difference Throughout Districts

When the variation with respect to pool percentages is so wide between the different provinces one would expect to find corresponding variations within the provinces. Inquiry shows that there is a remarkable difference between different districts. Some are very strongly in favor of pool selling, while in others the great majority of farmers prefer selling their own grain to pooling it with that of others. Quite evidently those farmers who believe in individual selling strongly enough to resist the persistent propaganda to make them join the pool, are just as much entitled to consideration as those who are in the pool. If pool selling were actually breaking up the former channels of trade, as some enthusiatic pool advocates used to claim, it would be important to consider what damage might be done to these men.

It should be added that in the selling of coarse grains, oats, barley, flax and rye, the pool has made much less appeal than in the case of wheat. There is no coarse grains pool in Alberta, while in Manitoba and Saskatchewan pool marketing of coarse grains is less than a third. Taking the total of all grains marketed, the quantity going through the pool is very much less than half.

Import Discrepancy Apparent

There is a big discrepancy between the published statement of acreage signed up and the figures of actual business done. The annual report of the Saskatchewan Wheat Pool for 1925-26 contains the following figures.

9,331,700 acres at October 23, 1925.
9,782,624 acres at July 31, 1926.
10,492,443 acres in October, 1926.

On the basis of 13,277,858 seeded acres, according to the Saskatchewan Government's estimate, the pool then had under contract 79 per cent. of all the acreage in Saskatchewan seeded to wheat, while they actually marketed only 56 per cent. There are several factors that account for the discrepancy between apparent sign up and acreage. These are:

Crop share leases, where the tenant and not the owner, or vice versa, is a pool member.

Contract breaking, or "bootlegging."

Contract evasion. There seems to have been some cases of farms leased by husbands to wives with intent to get out of the contract obligations.

Duplication of acreage. The same acreage might be signed up twice or several times when farms are sold or leased.

Exaggeration. Pool contract signers are supposed to indicate on their contracts the actual acreage sown in the current or the previous year, but overstatement in this respect would be very easy, without any intention to deceive.

Turnover. Among tens of thousands of farmers there is a constant movement of many. Men give up farming, or move to other provinces, while a certain death rate among contract signers is to be expected. Many acres which formerly grew wheat for pool marketing no longer contribute to it.

Acreage Figures Unreliable

One is forced to the conclusion that acreage figures must be disregarded in estimating the strength or growth of the pool movement, and that the only figures worth considering are those of grain actually delivered to the pool for selling.

Consequently, whatever announcements are made as to the success of campaigns to get farmers to sign up for the next pool period, beginning with 1928, no satisfactory estimate of pool progress can be made until it is seen what percentage of actual grain deliveries they secure in the first year under the new contract. The last year under the old contract seems likely to end with less than half of the wheat, and only a fractional quantity of coarse grains passing through their hands. Apparently, on the evidence of many thousand farmers, there is still much to be said for the practice of individual grain selling on the open market.

SAVE MILLIONS IN MARKETING GRAIN

Important recommendations, estimated when put in practice to effect a saving of millions of dollars in the marketing of this year's prairie grain crop, are contained in a tentative report submitted to the Board of Grain Commissioners by the grain committee of the Canadian Research Council.

Scientists of the research council have discovered methods of commercial drying of tough and damp grain, which will prevent injury to the milling and baking qualities of wheat when practiced under proper conditions. The research is not complete, but enough progress has been made to put the theories into operation in the drying of this year's crop, it was stated.

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THE FINANCIAL POST

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Winnipeg Grain Exchange is Great Service Institution

Provides Very Comprehensive Service, Giving Producer and Buyer of Grain Chance to Meet Together and Gathers and Broadcasts Information on Crop Conditions and Grain Prices in Every Part of Civilized World

Ranks as World's Largest Cash Grain Market, Although Others May Exceed It in Trading in Grain Futures—Board of Exchange Establishes Methods of Trading, System of Arbitration and Fixes Commission Rates

By FLOYD S. CHALMERS

The world's largest cash wheat market is in Canada. Chicago may lead in speculative grain trading: in the buying and selling of "futures." But the Winnipeg Grain Exchange is the continent's most important market place for the sale of "cash" grain. For years, the major portion of the grain produced in Western Canada has been sold for cash in the open market place, provided by the Winnipeg Grain Exchange.

Western Canada produces enormous and steadily increasing quantities of grain, including over 400,000,000 bushels of wheat in a good year. Most of this wheat is marketed in Winnipeg. This is the reason for the important position occupied in the grain trade of the world by the Winnipeg Grain Exchange.

Buyer and Seller Meet

If there were no such organization as the grain exchange in existence it would be necessary to create one. Whatever the commodity being marketed, there must be a market place where buyer and seller may meet. The actual producer and the ultimate consumer may not come face to face in the transactions; certainly not in a commodity like wheat that is raised in Canada by several hundred thousands of Western farmers, and flows to every corner of the Globe. But somewhere along the line, buyer and seller, through their representatives must be brought together, and the place where they meet is that indescribably noisy place called the "pit" of the Winnipeg Grain Exchange, a place that is as scientifically organized and as smooth running as it is—to the casual observer—noisy and confusing.

All Types of Members

The Winnipeg Grain Exchange may be compared to the Montreal or Toronto Stock Exchange which provides a place where investors may buy or sell securities. But the Grain Exchange is perhaps an even more intimate phase of the grain business than the Stock Exchange of the investment business, because a very high proportion of the members of the grain exchange represent people and bodies who are selling their own wheat or buying it there for their own needs.

The Grain Exchange is a body or association of people who are engaged in the grain business. Some of them are owners and operators of elevators, either country elevators along the railway lines of Western Canada or terminal elevators at the great lake or ocean ports. Some of them are brokers who own no grain, run no elevators and control no boats, but who simply sell wheat for the farmer or the speculator or buy it for the miller or trade. For performing this service they charge a fee just as the stock broker provides a fee for buying or selling a share of stock. The fee is small; one cent a bushel will pay all the costs of finding a buyer for wheat. No producer could sell his wheat at such small cost if the business were not so thoroughly and well organized.

Some Farmer-Company Members

Others of the members of the Grain Exchange are shippers, exporters or vessel brokers. There are millers on the grain exchange, mixing right in the actual trading in order to reduce the spread between the producer of grain and the buyer of flour to the irreducible minimum. There are representatives of large companies that are controlled outright by the farmers, companies that own and operate elevator systems, even terminal elevators or other machinery of grain marketing. There are a few railway men and bankers on the exchange. They do not trade in grain but as their companies transport the crop or finance it, their interest in grain is apparent. However, they are not active in the exchange and are there probably because they helped to start it and never dropped out.

Incidentally, it may be well here to emphasize that most of the members of the Grain Exchange are members because they are actively and directly engaged in the business of handling Canada's wheat crop as it is produced by the farmers and purchased by those the world over, who require wheat and other grains. There are 461 members. Of these, over 400 are primarily engaged in the handling and marketing of cash grain. These are the elevator men, the cash grain brokers, the cash grain commission men, the millers, the maltsters, the shippers and the exporters, and only a certain number of the balance represent the traders in "futures," the valuable though somewhat misunderstood speculative side of grain trading.

Objects of Grain Exchange

The Grain Exchange is a purely voluntary association. It is not even incorporated. Its members are all individuals although they may represent companies, associations, partnerships, etc.

The Grain Exchange performs very definite functions. They have been outlined as follows:

1. It provides a market place.
2. It provides market information.
3. It provides a system of arbitration.
4. It fixes commission rates.
5. It regulates forms of contract for future trading.
6. It makes and enforces a set of by-laws, rules and regulations required for the first five functions.

How It Does Its Work

Perhaps if we were to discuss these functions seriatim we would get a clearer grasp of what the Grain Exchange is, what is the extent of its services to the grain producers of the nation and how it performs that service for these producers.

1. It provides a market place. The Grain Exchange has provided a large room in which members meet to do business. This is a place of absorbing interest. It is a very mysterious place for the uninitiated; during trading hours, especially when the exchange is very busy, it provides a picture of feverish activity. Traders stand on the steps of a "pit" or small circle where they receive orders and execute them by verbal transactions between one another. As millions of bushels of grain are changing hands daily, traders must work at top speed and this makes necessary a great deal of shouting to one another, supplemented by signalling with recognized symbols made with the fingers. To the grain man, this is simple and well understood. To the outsider it is apt to be very confusing just as the use of chemicals to produce a fixed image is confusing to the man who knows nothing of photography, or the machinery in a power house to the man who has not studied electricity.

Speeding Up Transactions

In the trading room is every mechanical device that makes for dispatch. The telegraph instrument, the radio, bells and buttons, all serve to speed up business. The trading room of the exchange is merely two men meeting to shake hands over a bargain of some kind, multiplied a hundred fold.

2. The Grain Exchange provides market information. No producer of any commodity, other than grain, has at his command daily, even hourly, such a vast store of up to the minute information as has the producer of grain. The wheat farmer, at any minute of the day, by getting in touch with the nearest brokerage office or other contact with the Grain Exchange, can find to a fraction of a cent the immediate price of any grade of any kind of grain; the visible supplies throughout the world, or any other information touching his interests. The Grain Exchange must be given a large part of the credit for collecting and collating this information and putting it freely and openly at the disposal of the public. Every morning, the Grain Exchange is in receipt of cables from different market centres of the world, and dealing with supplies and prices of grain. Every second it is in possession of the immediate prices of grain in Chicago and other wheat markets.

Instantaneously the prices quoted in actual transactions on the floor of the Chicago Exchange are marked on a system of blackboards posted where the members may see, and the prices go out at once by wire to grain offices all over the world.

Whole World At Glance

These blackboards are amazing records of the grain trade of the world. "Continuous quotations" from Chicago, Minneapolis and Duluth are there; cabled prices from other markets; figures on the movement of grain the world over. The Grain Exchange does not make grain prices; but with such a vast store of information available to the members and other grain traders the world over, the price of any kind of grain finds its proper level with lightning speed.

3. It provides a system of arbitration. In such a vast organization, the possibility of dispute is always present. Most of these may be of a minor nature. Two traders, for instance, may, in the rush of business, misunderstand each other in a transaction. The possibilities for such misunderstanding are enormous and the wonder is that they are so few. To resort to the courts to settle all such disputes would be expensive, tedious and unpleasant. The courts would soon have the whole exchange entangled in a haze of difficulties. The Grain Exchange overcomes the necessity for such litigation by establishing machinery for dealing with such disputes. Misunderstandings are corrected by this arbitration, cheaply, quickly and satisfactorily.

4. It fixes commission rates. Obviously it is highly desirable that the buyer or seller of grain should know just what it is going to cost for him to carry on a transaction. Fixed rates of commission and brokerage are necessary. It is equally desirable that these rates should be fixed for all transactions carried on by members. A situation wherein price-cutting between grain dealers wsa prevalent would be intolerable and would lead to serious abuses, or benefit to no-one. And so the exchange fixes these rates. The rates are low compared with those fixed in other grain markets in North America and are low in the light of present day expenses of doing business.

Negligible Factor in Price

It may well be emphasized that they do not noticeably affect the production or price of grain. The uniform rates have been fixed at such a low figure that they have only a negligible influence on the price paid by the ultimate consumer or received by the primary producer.

Customers or members of the exchange know, in advance of any transaction, what the charge for service will be and they have assurance that it will be certain, definite, uniform and moderate.

By fixing uniform rates, the Exchange eliminates competition so far as charge for services is concerned. Quality rather than cost of service is brought into force. What customers want in their agent is efficiency, skill, security and integrity. By eliminating the question of the price of the service, and placing the emphasis upon the kind of service as the prominent factor in building up a clientele, this system promotes higher standards of trading and of business conduct generally.

5. It regulates forms of contracts for future trading. The regulations issued in this respect are very complete and indicate the grades deliverable under the contracts, the conditions under which warehouse receipts will be acceptable on delivery, the depositing of security and procedure in cases of failure to deliver.

Grain Act on Cash Deals

The Grain Exchange does not draw up forms of contracts for cash grain transactions, etc. This is because the Canada Grain Act, a very bulky piece of legislation, goes into the most minute detail in outlining such contract forms. It provides contracts for country elevator operators, commission men, track buyers, and public terminal elevators.

6. It makes and enforces a set of by-laws, rules and regulations required to carry on its business. All members of the grain exchange are governed by very strict by-laws, self-imposed, that maintain the highest possible standards of business conduct. These by-laws need not be discussed at length. What some of them cover may easily be imagined; others are needed in a sense that is not immediately apparent to the casual observer. Among the rules governing floor trading, for instance, is one that provides that every bid made must be an "open bid." That is to say, it must be open to the whole market. Thus no tinkering with prices can be made by two or three members.

Goes Back to 80's

Although the present Winnipeg Grain Exchange dates back only to September, 1908, there has been some form of grain exchange in operation in Winnipeg ever since 1887, the year the Canadian Pacific Railway was completed through to the Pacific Coast and linked up with the East.

The first attempt to form a grain exchange in Winnipeg came in the year 1883, when the grain business was a naked babe. Grain was sent to the head of the lakes and stored in sheds, there being no elevators for some time after that year. In fact, 1883 was the year in which the first shipment of grain was made across Lake Superior, the barge Erin having the honor of initiating what has become the greatest shipping movement in inland commerce anywhere in the world. This first attempt to form a grain exchange did not meet with success.

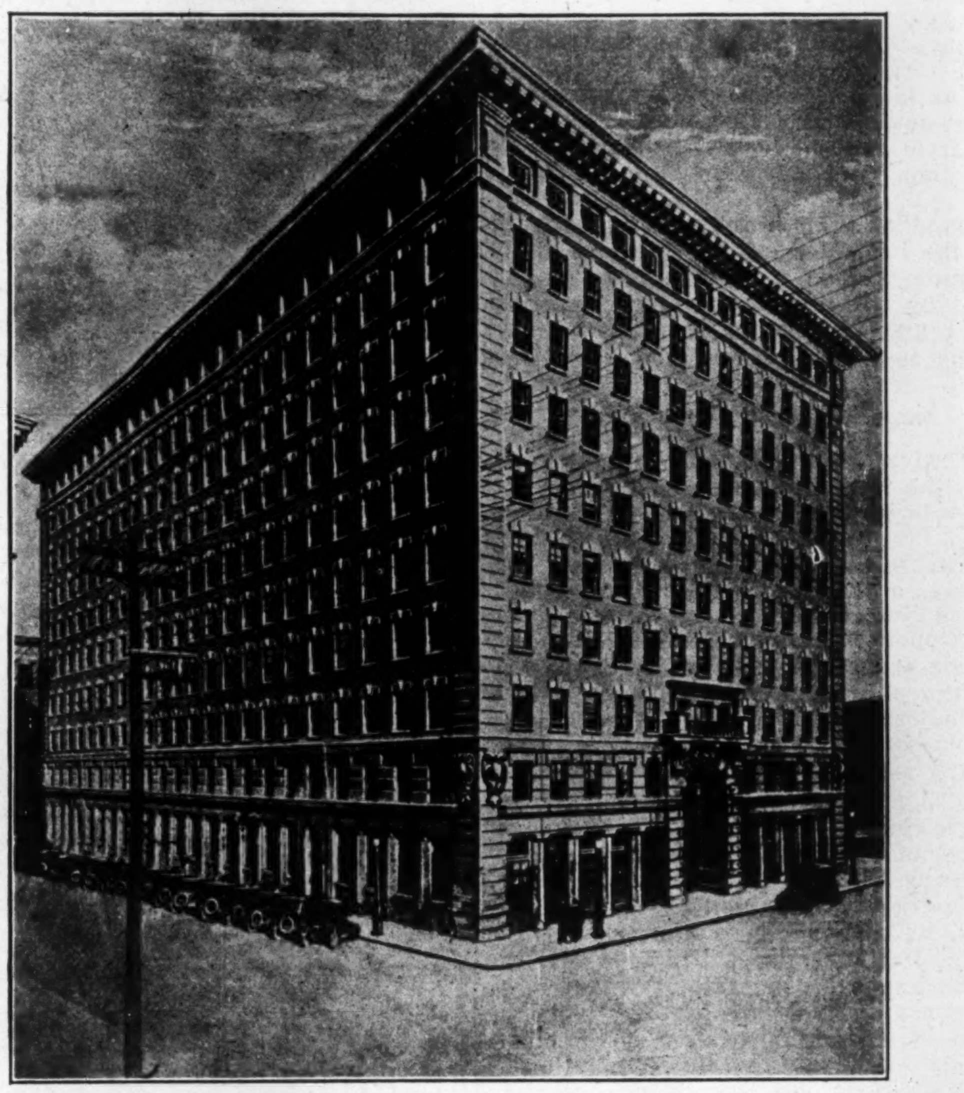
Four years later a second attempt to form a Grain Exchange met with success. Under the name of the Winnipeg Grain and Produce Exchange it early became a factor of importance in the handling of the 1,300,000 bushel wheat crop of the prairies. As elevators were established the exchange grew in importance and in 1908 a provincial charter that had been granted by the Manitoba legislature, was given up, permitting the Winnipeg Grain Exchange to be formed as a voluntary association rather than an incorporated body. Its progress has continued to be rapid as its present membership of 360 and the present $10,000 market value of its seats attests.

Always Given Clean Sheet

In these years the Grain Exchange, in common with the whole grain trade of Canada has been the subject of repeated governmental judicial investigations but never has any such commission been able to point the finger of scorn or abuse at the Exchange.

Proud of its record, proud of its service to the producer and consumer and confident of holding the good will of the public by remaining true to its traditions, the Winnipeg Grain Exchange expects to continue as one of the great market places of the world.

Where Millions of Bushels of Grain Are Sold Daily



The Winnipeg Grain Exchange, declared to be the largest office building in Canada. This houses the trading rooms of the Exchange and offices of many brokers, commission merchants and elevator companies.

The Winnipeg Grain Exchange is a prospering institution, its service to the growers and buyers of wheat increasing each year.

Grain Exchange Faces Future Confidently, Says Thomson

Retiring President of Winnipeg Institution Objects, from Viewpoint of Grain Trade, to Legislation Inspired by Politicians and Calculated to Disorganize Channels of Marketing

"The Grain Exchange faces the future with considerable confidence and may look forward to a greater prosperity for the country and continued prosperity for the grain trade."

This forecast of steady success for the grain trade of Canada was made by A. T. Thomson, of the International Elevator Company, retiring president of the Winnipeg Grain Exchange, at the recent annual meeting of that body.

Objects to New Legislation

Mr. Thomson presented some serious objections to recent legislation giving western farmers the right to name the terminal elevator to which their grain is to be shipped. He said:

"According to the older Grain Act and to the practice of the trade for a long period of time, the farmer who stored grain in a country elevator had the right of taking delivery of his stored grain either at the country elevator or at the terminal point. If he took it at the country elevator he presented the tickets, paid the charges, took delivery of the grain, and sent it where he pleased at his own risk. Claims for loss of grade or weight on the journey could not be made against the country elevator. If on the other hand he chose to take delivery at the terminal point, the country elevator took all the risks of the journey and selected the terminal elevator. The amendment gives the farmer the right to select both the terminal elevator and the terminal point, and it compels the country elevator to carry all the risk throughout the journey. The important thing is that for the first time the country elevator is now compelled to carry certain serious risks while it receives no compensation whatever for so doing. Thus the very principle of the bill is vicious. And there is little doubt that the amendment was forced through by political considerations mainly.

"If it becomes effective, it will dislocate the elevator system. Few country elevators can conform with it and survive. It is, therefore, a matter of vital importance, and for this, among other reasons, I do not think it advisable at this time to discuss it further. Much depends on the interpretation and the enforcement of it, and for these we must wait and see."

Moose Jaw Legislation

Discussing legislation of the Dominion parliament, naming Moose Jaw as an inspection point, Mr. Thomson declares: "If it means that cars of grain destined for consumption or storage at Moose Jaw are to be inspected there, this had been already provided for, but if it means that all cars of grain whatsoever coming from the West through Moose Jaw must be stopped, sampled and inspected at Moose Jaw, it is a very different matter. It will add considerably to the cost of handling the grain without any apparent gain whatever.

"At the moment there is uncertainty as to the precise meaning of this amendment, and it is well to defer criticism of it until the uncertainty is removed. Meantime this can be said, that this amendment was promised before and during the general election, and that its origin is political."

Appeals Made on Moisture

A third change in procedure, which gives a new interpretation to sections of the Canada Grain Act covering inspection of grain, was discussed.

"It had been held for very many years by the Department of Trade and Commerce, by the Board of Grain Commissioners, and by the inspectors, that surveys or appeals were limited to grade and dockage and were not permitted on moisture content or condition. This older interpretation was not forced upon the authorities by the grain trade; it originated with and was maintained by the authorities themselves. Either the Department or the Board appears to favor a new interpretation, and the Board ordered an experiment to be conducted during the month of August to test the value of appeals on moisture. It appears that an appeal was taken on one car, and the appeal was dismissed. The experiment cannot be called a very instructive one, and it only illustrates the kind of thing that departments of the government or grain commissioners can sometimes do.

"On the question at issue as applied to a new crop the trade is neutral. The trade can operate under any system of inspection or grading or appeal that is uniform throughout, but there are two things about this proposal as so far explained that are worth mentioning.

"The trade considers that if an appeal is to be made on moisture it should be open to the trade as well as to the producers. It should be possible in the case of cargoes as well as in the case of cars. If inspection for moisture is part of an inspection for grade, and is prescribed in the Grain Act, there can be no question that the owner of a cargo of grain loaded out of terminal elevators is entitled to such an appeal as much as a farmer is entitled to an appeal on a car.

No Rules Yet Laid Down

"The trade also considers that the maxims or principles guiding any such appeal should be formulated beforehand and known, but there seems to be no rules formed that are acceptable to those advocating an appeal for moisture up to date. Appeals for moisture as proposed to be conducted by the Board would have lessened very considerably the quantity of straight grade grain during this last year's crop. That is hardly the object aimed at by those asking for such an appeal. Rather what they appear to want is any form of an appeal, however loose, that will result in selling 'no grade' grain as straight.

"It is not to be supposed that by merely calling tough grain straight, buyers will be deceived long. Very quickly will buyers realize what is going on. Very quickly will they realize that the certificate of grade has become an untrustworthy document, and that while the inspectors grade the grain 'tough' the Appeal Board is grading it straight, and they will buy accordingly.

Hope for Proper Consideration

"There is also the consideration that if the inspectors use the moisture tester in the judging of moisture there should be some known and recognized percentage of moisture which the grain may carry and still be graded straight, and this, in the case at all events of the standard grades, ought to be prescribed by parliament.

"It does not appear that adequate consideration was given to these difficulties by the Board of Grain Commissioners or by the Department when the experiment was ordered. It is to be hoped that such consideration will be given before any new order is issued."

Mr. Thomson gave as evidence of the strength of the Winnipeg Grain Exchange the fact that the price of memberships has reached its highest level.

Wheat Pool Has Not Changed Procedure of Handling Wheat

By A. THOMSON,
in address as retiring president of Winnipeg Grain Exchange

The year that has passed has added something more to our understanding of the operations of what is called the Pool. It becomes clearer as time goes on that the methods of the Pools in handling and selling grain are less different from the methods of the Grain Exchange than Pool advocates are willing to admit.

In handling grain in the country the methods of the Pools are just the methods of the grain trade. Indeed, most of the Pool grain is handled by the regular elevator companies, and, of course, the method of handling is just the same as it was before the Pools were heard of.

Same Method at Terminals

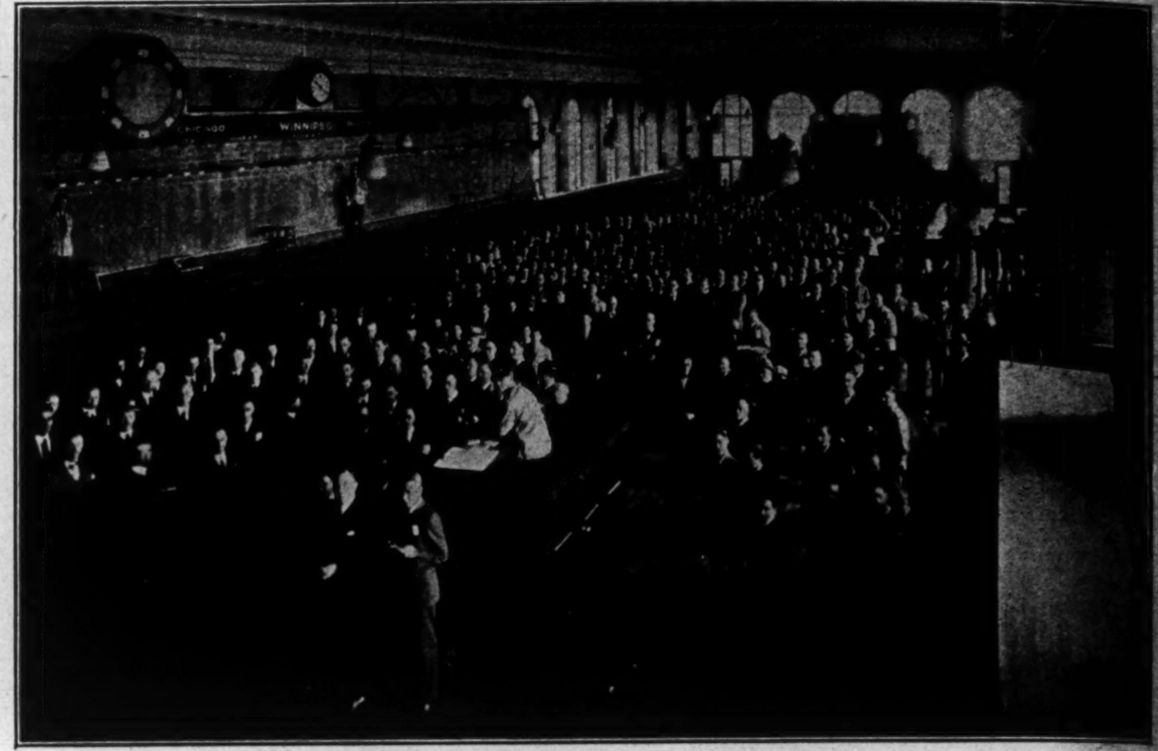
At the terminal point the same thing holds. Most of the Pool grain is shipped by country elevators to terminals not owned by the Pool, and even Pool grain shipped to Pool terminals is handled in identically the same way. This is true even in regard to mixing. And the loading of the Pool grain into vessels is done by the Lake Shippers' Clearance Association, which is a trade organization. The fact is, that so far as the physical handling of the grain is concerned, there has been no change whatever.

In the selling of the grain, too, as time passes it is more evident that there has been very little change. The Pool Selling Agency is a member of the Exchange, and a member of the Clearing House. That Selling Agency buys and sells grain, cash as well as futures, in accordance with its judgment in or on the Grain Exchange like other large firms. It uses the Grain Exchange in the same way that other members use it. Even in exporting it uses the facilities of the Exchange as other members do, selling either on the floor or by direct cable as others do, just as in their judgment it pays them best.

Pool Gives Less Information

There are, however, two differences to be noticed here between the Pool method and the trade method. The trade must always account to the individual farmer and return to him full information on the transaction, and the actual price received by it for the individual farmer's grain. On the other hand, the Pool pays an average price to all the growers of the same grade, and the Pool is not bound, and, in fact, does not, give the individual farmer the information which the trade is compelled to give by law.

The Floor of the Grain Exchange at Winnipeg



The members of the exchange are posing in this photograph and provide a less interesting picture than when they are busy trading. Then the exchange is a spectacle of activity.

How Grain Trading Is Carried On

Abbreviated from "The Grain Trader's Guide" published by Dawson Richardson Publications, Winnipeg

Grain exchanges are associations of traders in grain for the purpose of providing a common room in which traders can meet, and rules for the orderly conduct of business in that room. Grain exchanges do not buy or sell grain, or fix prices. They are market places for grain. The business of buying and selling is carried on by the individual traders.

Buying and selling transactions may be either "cash" or "futures."

In "cash" transactions actual grain of a specified grade in a specified position is bought and sold, and the terms are cash upon delivery. In "spot" transactions the grain is already at the delivery point and ownership is immediately transferred.

In "futures" transactions contracts are made for the purchase or sale of grain to be delivered within some specified month in the future. Delivery of actual grain on these contracts is frequently made, but the majority of futures contracts are closed out by a reverse transaction before delivery date.

Most of those entering into such contracts desire only temporary protection, or insurance, against price fluctuations affecting actual grain in their possession or actual grain they propose to acquire, while others buy or sell in the hope of being able to make a profit out of the changes in price they anticipate will occur before delivery date.

Futures and Delivery Months

Trading in contracts for future delivery is known as trading in "futures." The months for which such contracts can be made, commonly termed "delivery months," on the Winnipeg Grain Exchange, are: October, November, December, May and July. Except in the case of November, which is a subsidiary rather than a principal trading month, trading in each of these months is authorized by the council of the exchange to open at a date six months or more in advance.

October wheat represents the best judgment of the world as to the proper level of the values for the new crop, and, of course, is greatly influenced by growing conditions of the crops which will mature about that time.

Continental importers and millers wishing to buy supplies for October will send orders to purchase October wheat, in this way protecting themselves against sales of grain or flour they may have made for around that time.

November futures allow for contracts practically up to the close of navigation on the Great Lakes. December futures have a relationship to the grain to be carried over during the winter. The market in May futures is generally important because navigation will again be opened and the world has been gradually correcting its judgment as to the relationship between supply and demand during the second half of the crop year. July futures take care of contracts on the last of the old crop and come more or less under the influence of the prospects for the new season.

Method of Trading

A grain broker or commission merchant who is a member of the Grain Exchange is the medium through which a non-member must deal, either for cash or futures trades. A fully-equipped broker's office will contain a blackboard on which quotations are posted covering Winnipeg, Chicago, Minneapolis and Duluth markets. Chairs are provided for those who wish to follow the board. Winnipeg quotations are transmitted to the office by means of a ticker, while a direct telegraph service furnishes quotations from the U. S. markets. Quotations are posted almost instantly after they occur on the floor of the Exchanges. Opening and closing, and sometimes intermediate prices, from Liverpool and Buenos Ayres are also posted and are referred to as "cables."

Daily reports, market gossip, crop and weather reports and all available statistical data on Canadian and world markets are on file for ready reference. A broker is ready and willing to obtain any additional information on the market and to discuss matters relating to the markets with his clients. The goodwill of a satisfied customer is the objective of every broker, and this can be attained only through fair dealing and the rendering of service of a high order.

Out-of-town customers may wire or telephone buying and selling instructions or requests for information regarding the markets. Such communications should be prepaid, and replies, when necessary, will be sent at the expense of the customer.

Brokerage Commission

Brokerage commissions or charges are established by rules of the Grain Exchange. All members must make the same minimum charges.

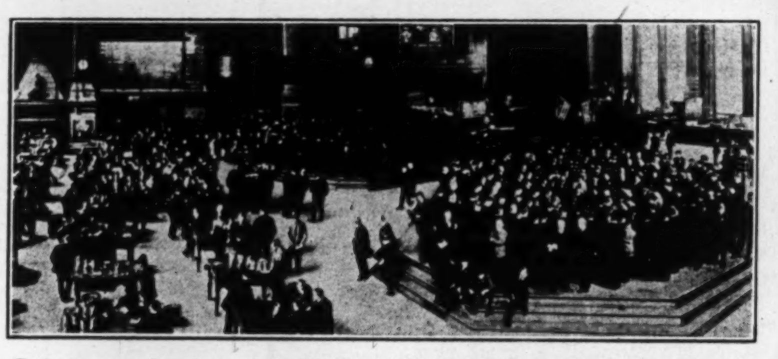
The commission rate for buying and selling orders in the futures market on wheat, oats, barley and rye is ¼c. per bushel, or $2.50 for each 1,000 bushels bought and sold. The purchase and sale, or vice versa, is considered a complete transaction, and is known as a "round-turn." The commission on flax is ½c. per bushel, or $5 per 1,000 bushels, round-turn. If delivery is taken of actual grain on futures contracts there is an additional charge of ½c. per bushel and, in the case where delivery of actual grain is made on futures contracts there is an additional charge of 1c. per bushel to non-members on wheat, barley, rye and flax, and ¾c. on oats.

Margins Must Be Put Up

Before an order is executed, the broker must be protected against loss, as he is only an agent. According to the state of the market, customers must deposit a sum of money with the broker calculated at a certain rate per bushel. These deposits are known as "margins." In a normal market the margin on wheat may be at the rate of 10c. per bushel, and, in a nervous market, as much as 25c. per bushel may be required. If the market moves against the customer, additional margins may be called for, and if not promptly paid in, the broker may close out the trade. Brokers, when making trades for their customers, do so on the

(Continued on page 43)

Winnipeg's Rival, Chicago Grain Exchange



Fortunes are made and unmade in Chicago's wheat pit. But Chicago is more a speculator's market than the Winnipeg Grain Exchange. Chicago is the great futures market; Winnipeg has no peer on the continent as a cash grain market.

Grain Speculator Needed as Balance in Grain Trading

His Function Is to Add Efficiency to Exchange Operations and Create a Stable Market at All Times in Grain Buying and Selling

What part does speculation play in the business of handling Canadian wheat? What service, if any, does the speculator in grain perform, and who pays him for it, and what harm, if any, does he do, and who is hurt by it?

These are questions that are very frequently asked, and when asked, there is usually an implication that there is something wrong with speculating. If you say that someone is speculating in the food of the people, you imply that the food is going to cost more, because of that operation, and if you say that the speculation is in the products of the farmers' toil, there is an implication that the farmer is getting less out of his work than he might get were it not for the speculator.

Speculation in Grain Essential

The fact of the matter is that speculation is inseparable from the grain business. Wheat is a commodity subjected to wide and inevitable changes in price. Every day in the year wheat is being harvested in some part of the world. Every day in the year, weather conditions which affect the prospects for future supplies, are changing. Every day the conditions which affect demand are changing. There are parts of Europe where increased prosperity causes people to eat more wheat instead of cheaper and coarser foods. There are districts in England where it is adversity instead of prosperity which increases the demand for bread, as people turn to it from necessity instead of to more expensive foods.

From the day when a bushel of wheat is first produced until the day when it is finally consumed, the risk of change in price attaches to its ownership. Whoever holds it may see the price of wheat go down until he has made a serious loss, or see it go up until he has a decided profit. The risk does not cease when wheat is ground into flour, for flour, bran, and other products of grinding change in value according to the changes in the price of wheat.

Carrying Risk is Essential

Thus the speculative risk is inseparable from the existence of wheat. Carrying that speculative risk is an economic function, and whoever carries it may properly be termed a speculator. Carrying that speculative risk is as definite an economic service as is transporting wheat over the railroad from the country elevator to the terminal, or overseas in a vessel. The risk has to be carried as well as the physical grain.

Thanks to the existence of the futures market, and the process of hedging carried on there, the ownership of grain and the carrying of the risk are functions that can be separated. To some extent that market can be carried on without the services of deliberate speculators, but the services of such persons, whether they are professional speculators, or merely taking on a risk as a side line to their ordinary occupations, are highly important.

When Farmer Also is Speculator

The farmer may carry the speculative risk himself for a time. Many farmers do not sell their grain at the first possible moment, but wait for what they consider to be a favorable time for sale. The farmer who does that is a speculator in the fullest sense of the term, and it does not matter whether he conducts the operation by holding the grain on the farm, as many do, by holding it in an elevator, as is done by others, or by selling his actual grain and by buying options in the futures market, as is the practice of others.

Whenever he does any of these things, he is performing the speculative function, assuming the risk-carrying burden, and carrying on a business quite different in nature from the raising of wheat. It is a legitimate function, a necessary business, but the man who does it is, in the economic sense, essentially a speculator; and he is that whether he is the man who originally grew the grain or one who is an entire stranger to the process of production.

Commission Rates for Grain Trading

Commission rates in the Winnipeg Grain Exchange are as follows for wheat, the rates for other grains varying slightly:

Cash Grain

	Cents
Commission—	
Non-members	1
Members	½
Brokerage	1/16
Buying, selling, and shipping—	
Non-members	1
Members	½

Futures

Commission—	
Non-members	¼
Members	⅛
Brokerage—	
Per 1,000 bushels	25
When trades taken over by principal same day	35
Clearing—	
Closed within 6 days	1/16
Not closed within 6 days	⅛

Even Wheat Pool Speculates

The wheat pools similarly perform a speculative function. When they carry unsold and unhedged wheat in the elevators, they are themselves assuming the risk of price changes, a risk which may turn out favorably or otherwise to the members of the pools. It is a risk which they could put on other people willing to assume it, and it is generally believed that to some considerable extent they do relieve themselves of risk by hedging grain in the futures market. But in so far as they do not hedge, in so far as they themselves carry the risk, they are themselves speculators, and it is generally believed, by far the biggest speculators in the business. No criticism of them is involved in this statement. The pools may quite legitimately do their own speculating, just as they may legitimately operate their own elevators or conduct their own exporting, or as they might decide to operate some steamships of their own.

Speculation and the Consumer

On the other end of the transaction is the ultimate consumer. Occasionally, and to a small extent, he carries the speculative risk when he lays in a supply of flour ahead of his normal needs, and buys a barrel when a small bag might serve his purpose. The flour merchant takes on more risk than does the consumer, if he lays in a stock of flour, and expects to be able to sell it before the price of flour goes down. To a large extent merchants refuse to do this, and do what practically amounts to a consignment business in flour, making the millers relieve them of the risk of price changes.

The bakers are the real shock absorbers, one section of business which ordinarily accepts risk. They buy flour ahead in large quantities, sometimes storing it themselves, and sometimes contracting with the mills to deliver it to them at stated prices in the future. The baker who does this is the loser if the price drops so that he might have purchased more cheaply, and doubly the loser if the price drops so much that his competitors reduce the price of bread. But ordinarily the baker is willing to assume that the price of bread will remain fairly steady, and will buy flour well in advance when it is at such a price that his baking operations seem likely to result in a profit.

Eliminate Risk in Exporting

The export business is ordinarily carried on under conditions that very largely eliminate speculative risks, but they cannot be entirely eliminated, and some exporting firms will take greater chances than will others.

The elevator companies and the millers ordinarily wish to carry on their business as far removed as possible from speculative risks, and only to a limited extent do they normally perform the speculative function.

Some grain evidently can be handled without any outside speculative intervention at all. A farmer delivers a load of grain to-day and is paid for it at the country elevator. The elevator company hedges it in the futures market. The hedge is bought by an exporter who has a contract with an English mill. The mill has put a definite price on the wheat because it has made advance sales to a baker.

Speculator Provides a Market

But ordinarily the transactions do not balance each other so perfectly as that. The farmer in the country may be offering wheat more freely than the bakers are willing to contract for it. Wheat may look cheap to the elevator company, but it will not buy it unless it can sell at once for future delivery, because it is not in the business of assuming unnecessary risks. Wheat may look cheap to the millers, but they will not buy without definite assurances of future sales, for their business is manufacturing flour, and not unnecessary speculation.

Here is the point where the usefulness of the speculator comes in. If wheat looks cheap to him he will buy contracts for future delivery. He will probably sell his contracts again before the time comes for delivery, but in the meantime he has provided a market, if you like to put it that way, or he has insured the actual owners of wheat against loss, if you prefer to put the matter in terms of insurance.

Trade Profit for Protection

Suppose he makes a profit, at whose expense has it been made. Certainly not at the farmer's, because without him a lower price would have prevailed. Does the consumer lose? Probably not, for the conditions of supply and demand which fixed the price at time of ultimate sale, would probably have left the price the same. The profit, had the speculator not been there, might have fallen to the trade, to the elevator company, the exporter, the miller and the baker, who, without the speculator, might have been forced to perform some speculative function. But it is a profit they do not want, one they are perfectly willing to give up, in return for guarantees against loss.

On the other hand, if the price goes down and the speculator loses, whose is the gain? It is the producer's, for he has evidently received, owing to the speculator's error, a higher price than actual conditions would have warranted, and higher than he would have received without the speculator's intervention.

Two Kinds of Speculators

All kinds of people speculate in wheat, but the most convenient classification is into professional and amateurs. The amateur, outside of the grain exchange, employs a broker to execute his trades for him, at a commission of one-eighth cent a bushel each way, or a total cost of a quarter cent a bushel to buy or sell grain. If he operates with good judgment and a reasonable amount of sound information at his command, he has as good an opportunity to make money as he has in speculating in any other commodity or in the stock exchange.

Advantage is With Professional

The professional speculators, on the other hand, have things in their favor. Operating usually as members of the exchange, they can trade frequently without their capital being eaten up in commissions. They operate too, with special knowledge, with information carefully collected from the ends of the earth. They are wrong, frequently, but, on the whole, they are likely to be right slightly oftener than they are wrong. Essentially, they are in the business of insuring people against risk. They will have losses just as often as the underwriters at Lloyds', but in the long run, like the underwriters, they are reasonably likely to have a business that gives them a return on the money they risk and payment for their personal services.

Make Markets More Efficient

Not much has been said of speculative advance selling instead of buying grain futures. That occurs, but not nearly to so great extent as buying. One reason is that it is only a rising market which attracts general public interest. Outsiders very seldom sell futures in expectation of a fall. Professionals sell, of course, when it appears to them that prices are likely to fall from present levels. In such a case their function is not providing a market for wheat, but assuring purchasers of future supplies. Whatever they sell, they must buy again later, just as their purchases for a rise must be balanced by later sales.

On the whole, it must be concluded that the general effect of speculators' activities in the grain markets is to render those markets more efficient, and to produce a higher level of prices for farmers than would be reached without their activities.

How Grain Trading Is Carried On

(Continued from page 42)

understanding that they reserve the right to close out the trades when margins become unsatisfactory. This may be explained by the fact that, when markets are active, it is often impossible to close out trades at the exact price where the margins become exhausted. Or before the close of a market, if sufficient margins have not been deposited to cover the risk of carrying the trades open over night, brokers in such cases must exercise their best judgment to protect themselves. In turn the broker must protect all his trades through the clearing house where margins are everyday adjusted in cash to the closing prices of that day.

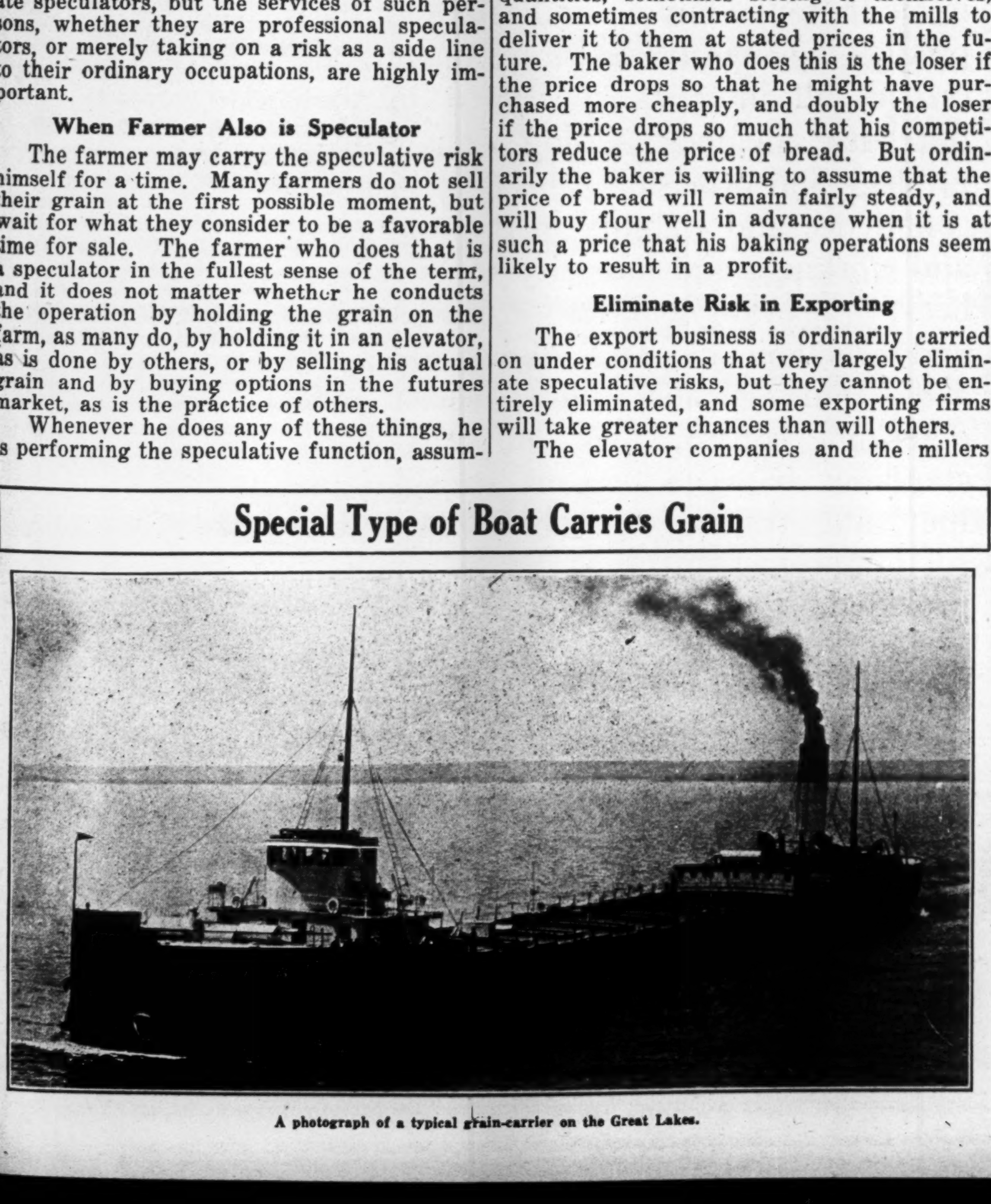
If the order is to buy, say "5,000 bushels May wheat at $1.20," and if the margin of $250, or more, has been deposited, the broker will telephone his representative on the floor of the exchange who will execute the order as soon as possible. The customer is promptly notified of the execution of the order, and a confirmation form is sent him. If prices rise to $1.22 and the customer orders a sale, the broker will immediately close out the transaction and forward the customer a purchase and sale statement showing what the actual profit has been on the transaction, which has been placed to the credit of his account. In this case the account would work out as follows:

Margin		$250.00
Bought, 5,000 bus. May Wheat @	$1.20	
Sold, 5,000 bus. May Wheat @	1.22	
Profit thereby	$100.00	
Broker's Commission	12.50	
Net Profit	$ 87.50	$ 87.50
Total credited to customer's acc't.		$337.50

If there had been a selling order and the price has gone down 2c. per bushel the financial result would have been the same as in the above illustration. If, however, the price has moved 2c per bushel against the customer and for any reason the trade has been closed out, then the account would stand:

Margin		$250.00
Bought, 5,000 bus. May Wheat @	$1.20	
Sold, 5,000 bus. May Wheat @	1.18	
Loss thereby	$100.00	
Broker's Commission	12.50	
Net Loss	$112.50	$112.50
Bal. credited to customer's account		$137.50

Special Type of Boat Carries Grain



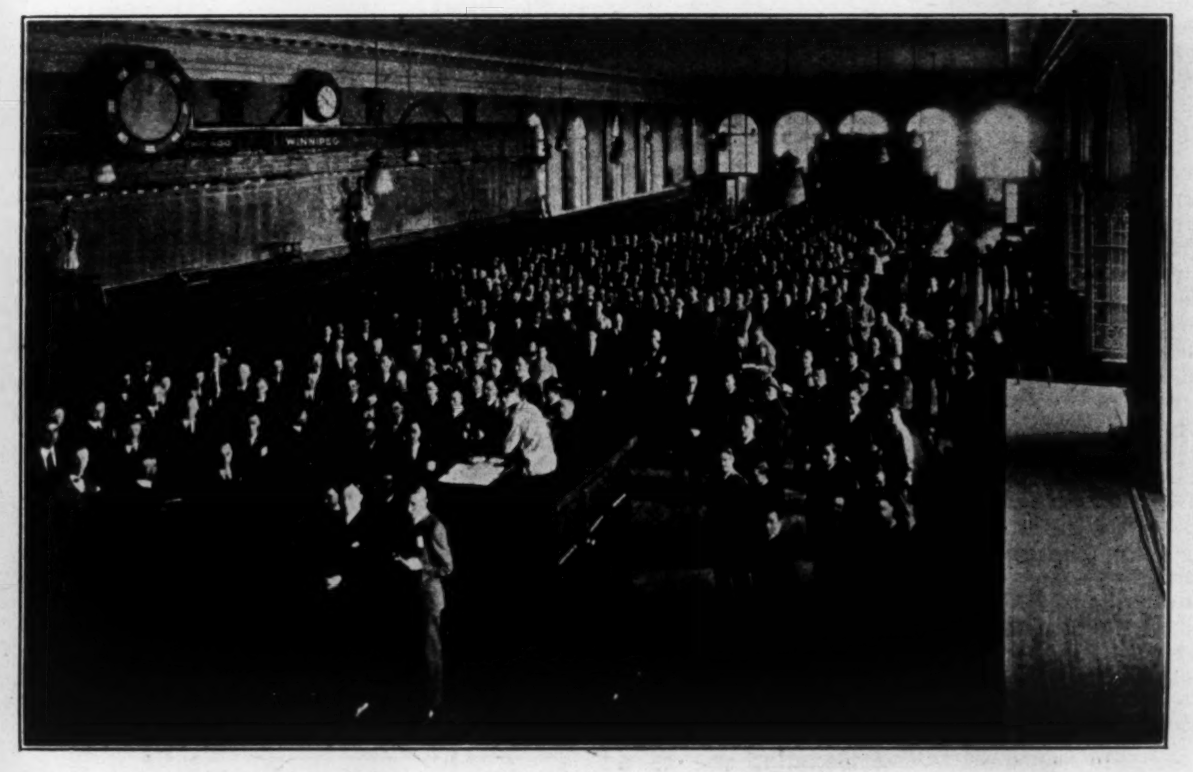
A photograph of a typical grain-carrier on the Great Lakes.

The Dominion Elevator Company Limited

Grain Dealers and Commission Merchants

HEAD OFFICE
WINNIPEG
CANADA

The World's Most Important Cash Grain Market



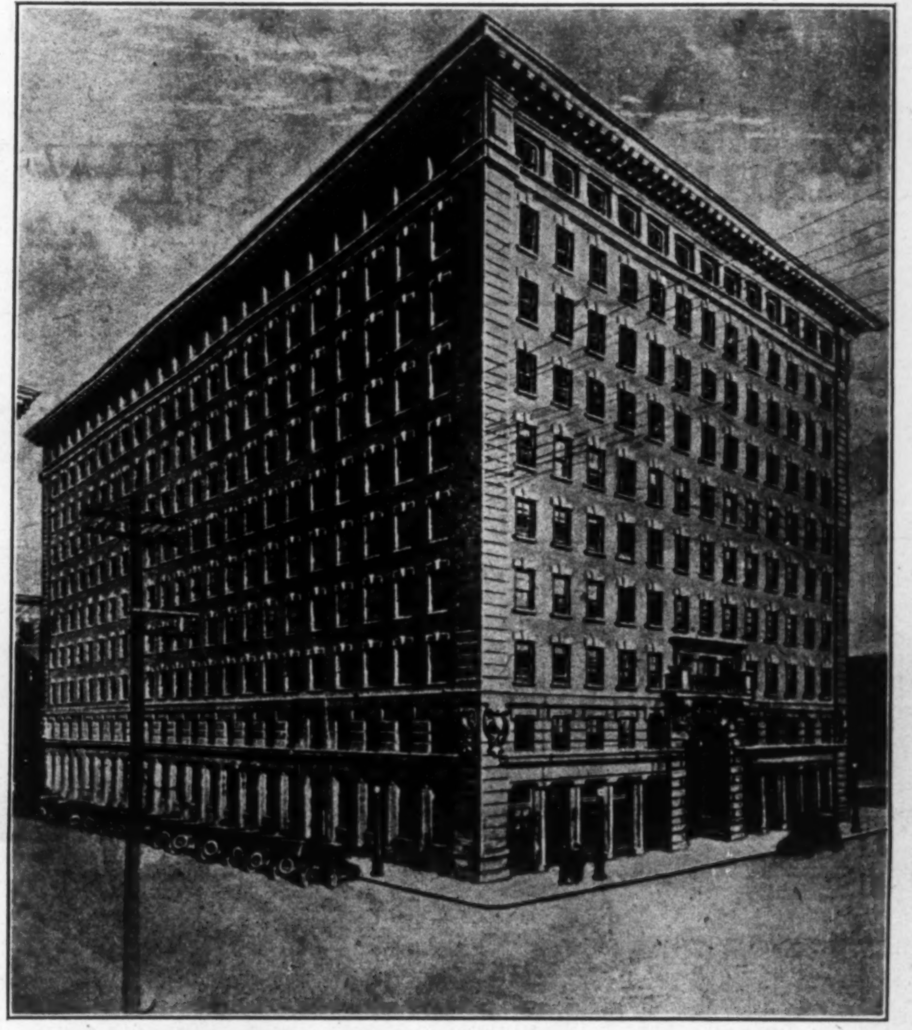
Trading Floor of the Winnipeg Grain Exchange.

Objects of the Winnipeg Grain Exchange

TO ORGANIZE, establish and maintain an Association, not for pecuniary profit or gain, but for the purpose of promoting objects and measures for the advancement of trade and commerce, respecting the grain, produce and provision trades for the general benefit of the Dominion of Canada, as herein provided; to acquire, lease or provide and regulate a suitable room and place for a Grain and Produce Exchange and offices in the City of Winnipeg, and encourage the centralization of the grain, produce and provision trades at the City of Winnipeg, Manitoba; to facilitate the buying and selling of the products in such trades; to promote and protect all interests concerned in the purchase, sale and handling of the grain, produce and provision trades; to inspire confidence and stability in the methods and workings and integrity of its members; to provide facilities for the prompt and economic dispatch of business; to avoid and amicably adjust, settle and determine controversies and misunderstandings between persons engaged in the said trades, or which may be submitted to arbitration as hereinafter provided.

Winnipeg Grain Exchange

In the Service of the Producer and the Buyer of Wheat



Winnipeg Grain Exchange Building, the largest office building in Canada.

Winnipeg Grain and Produce Exchange:

Founded 1887

Incorporated 1891

Winnipeg Grain Exchange

Organized as a Voluntary Association 1908

Winnipeg Grain Exchange

The Smith, Murphy Company
Limited

Grain Exporters
Commission Merchants

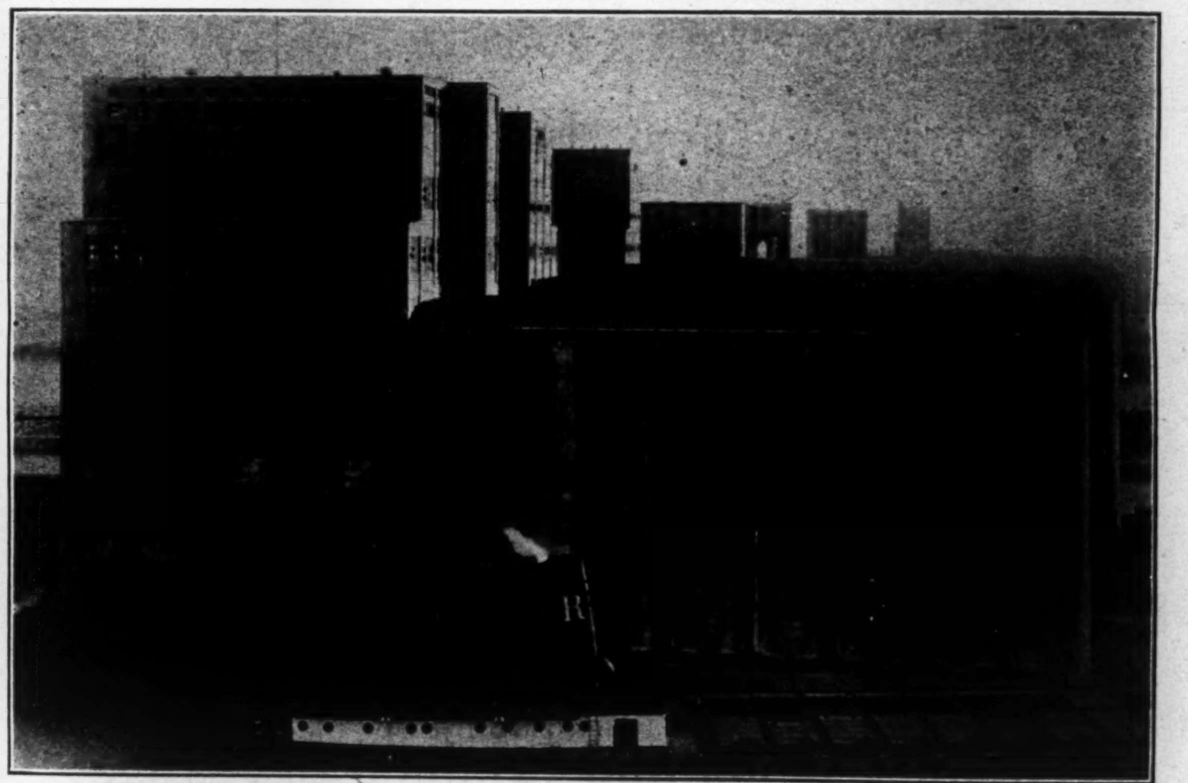
OFFICES AT

WINNIPEG, Manitoba **NEW YORK CITY**

The Reliance Terminal Elevator Company
Limited

Grain Dealers

Head Office
Grain Exchange
Building
Winnipeg,
Manitoba



The Lakehead Terminal Elevator of the Reliance Terminal Elevator Company, Limited

Terminal
Elevator
Fort William
Ontario
Capacity
1,500,000
Bushels

The Province Elevator Company
Limited

Grain Merchants

Owning or Controlling over
150 Country Elevators in
Manitoba, Saskatchewan, Alberta

C. G. MURPHY,
General Manager

SYDNEY T. SMITH,
President of the Three Companies

Grain Trade's Radio Station Broadcasts Service on Market

Every Morning Western Farmer Gets Grain Prices Direct From Winnipeg Grain Exchange by Means of Finely Equipped Radio Station at Yorkton, Nine Hundred Feet Above City of Winnipeg

Winnipeg Grain Exchange is always in tune with the times and has recently expressed its modernism by establishing a radio station. The broadcasting station was not built to carry propaganda to the farmers of the West, but rather to give them a valuable service. The Grain Exchange radio station gives them a service on grain prices every morning while the Grain Exchange is open and it also gives them twice-a-week concerts, which take into the farm homes of the prairie provinces the best music provided by the singers, players and orchestras of Winnipeg and other centres.

900 Feet Above 'Peg

Station CJGX was opened in August of this year. It is located at Yorkton, Sask., which is one of the highest points in the Prairie Provinces, 900 feet above Winnipeg, and in the heart of the grain belt of the West. Quotations and programmes are broadcast either from the studio at the station or by remote control from Winnipeg.

In every respect CJGX is the last word in radio. When Marconi's were told to fit up the station their instructions were to leave nothing undone that would be necessary to bring the station up to the minute, and these instructions were faithfully executed. It is the best station Marconi's have done. The studio is is also well equipped. It has the finest of musical instruments. The walls are hung with velour curtains that can be drawn back when the particular music to be broadcast is best reflected from sharp walls.

Send Out Grain News

The Grain Exchange controls a wire between Winnipeg and Yorkton during the hours that broadcasting is carried on, and uses this to send market information to the studio from whence it is immediately broadcast to the farm population. At 9.30 in the morning, general news items are broadcast, followed by opening quotations on the Grain Exchange. At 11.30 a.m., in the middle of the grain trading session, there is another broadcast of a report of the grain markets throughout the world, and a weather report is also given to the farmer.

This weather report is a remarkable evidence of the speed of modern living. At 7 o'clock, Winnipeg time, all over the North American continent, observers for the United States and Canadian governments take barometer and temperature readings and wire them to central stations from whence they are immediately relayed to Winnipeg. In an office in the Grain Exchange they are assembled and examined and the weather forecast made up by a Dominion Government official. At 10.30, three hours after the readings have been taken at such widely scattered centres as Maine, Florida, California, Ontario and British Columbia—as well as scores of others—the forecast based upon these readings can be had by any farmer in Western Canada who will invest in a radio set, and tune in on the Station CJGX.

Also Send Livestock Prices

Again, at 1.45 there is another broadcast. At this time, the closing prices on the Winnipeg Grain Exchange are sent out. Official cash grain prices are given and the Winnipeg livestock report, is also sent over the air.

There are regular evening broadcasts of musical programmes on Tuesday and Friday evenings from 8.30 p.m. to 10.00 p.m., central standard time.

Station CJGX is being well heard over the Western Provinces and the Northwestern United States. The service performed is said to be superior to any other grain broadcast in the West and the letters from listeners attest to this. The musical programs are well received and the station is greatly appreciated by the general public and the farmers in particular.

Broadcast No Propaganda

Only market information and musical programmes are broadcast. The Grain Exchange does not use its radio station to broadcast advertising or propaganda concerning the services of the exchange or the private grain trade.

The station is in the hands of a radio committee of the Grain Exchange. D. C. MacLachlan, of the Western Terminal Elevator Company, is chairman of the committee, while Dawson Richardson, a well-known and very popular publisher of grain trade literature, manages the broadcasting service on behalf of the exchange.

WHY "FUTURES" TRADING WAS NECESSARY

Casualties in the grain trade were numerous in the early years. In 1888, the dealers bought the farmers' wheat at prices as high as $1.25 per bushel. The dealers had no expectation of any decrease before they could get the wheat into the hands of the foreign buyer and miller—a matter requiring from a few weeks to months. Shortly after purchasing the crop, the world price fell very rapidly.

Almost every grain buyer in Western Canada was practically bankrupt for some years as a result. The wheat crop bought at from $1.00 to $1.25 per bushel was delivered to the millers at as low as 60. per bushel. The banks carried the dealers for some years and many eventually got on their feet again. This variation in world price and the inability to sell grain at once, placed a prohibitive handicap on the trade. Again and again, buyers at country points paid the farmer the market price of the day, and before being able to deliver and sell the grain, had the price drop. Many members had to forego a business with such risks. Thus trading in futures came.

Prairie Farmers Earn Good Profits on Wheat at $1.40

What is the grain crop of Canada worth to the farmer? Wheat may be selling at $1.40 on the Winnipeg Grain Exchange, but the farmer does not average that even for his wheat, and he gets much less for other grains.

If the price of $1.40 is the quotation for No. 1 Northern hard wheat in the storage elevator at the head of the lakes, the farmer gets that for his wheat, less the freight, storage, inspection and other costs of putting it in the elevator.

And all grain below the No. 1 Northern standard receives a smaller price. Allowing for these deductions, the grain corp puts three-quarters of a billion dollars cash in the farmers' pockets each year.

Average Return of $1.17

The average net return to the farmer for his wheat, based on the 1925 crop, was $1.17 a bushel. On the 1926 crop it was about $1.16.

All grain crops of Canada were grown on 42,715,133 acres in 1925. The total yield was 965,075,800 bushels. The net farm return was $747,047,100.

The 1925 wheat crop in the Prairie Provinces was worth $422,700,000 at country stations. The 1926 wheat crop was worth $388,-600,000. These figures have been compiled by W. Sanford Evans, and do not include wheat left for seed.

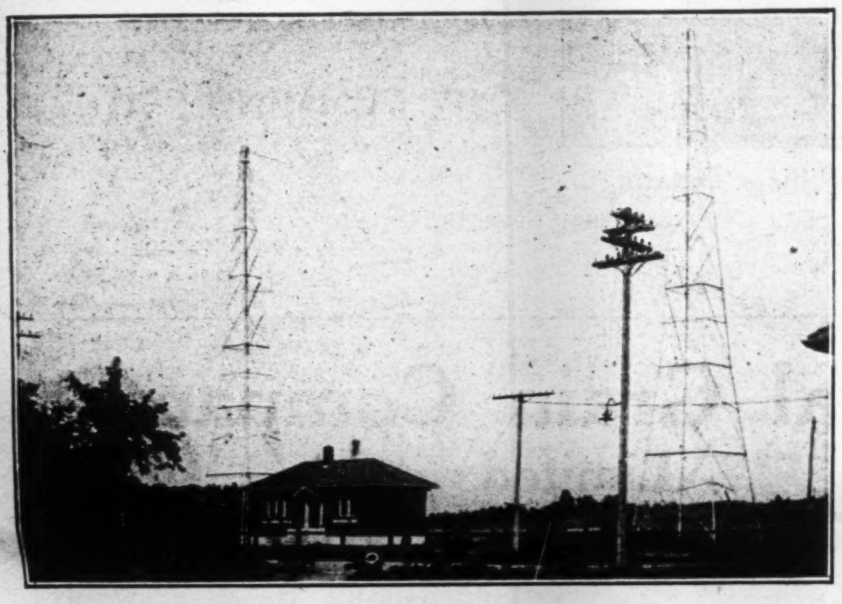
What Wheat Costs to Grow

Estimates have been made of the cost of producing wheat and other grains in Canada. These show varying results. However, in 1923, spring cost of production was $1 in Manitoba, 75c. in Saskatchewan and 63c. in Alberta. Unfortunately the figure for a single year can hardly be taken as an average and, therefore, one cannot judge from this figure the net profit to the western farmer in wheat growing.

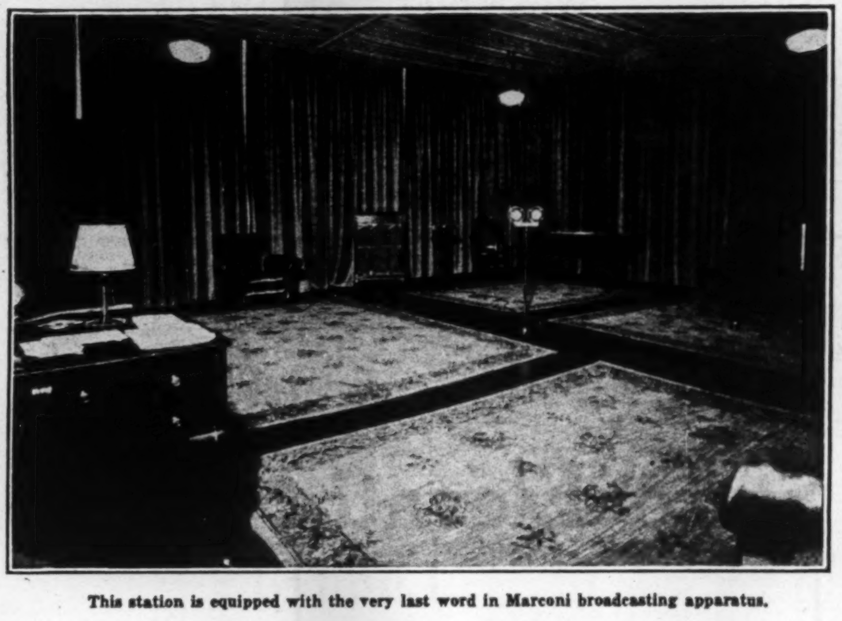
A United States government investigation for 1921 to 1923 showed cost of wheat in Manitoba, including a land rental for the farmer, to vary from 68c. to $1.02; from 71c. to $1.12 in Saskatchewan, and from 64c. to 86c. in Alberta.

On this basis the western farmer, getting a net return of over $1.10 for his wheat, is making a good income.

Winnipeg Grain Exchange Broadcasts Wheat Prices to Prairie Farmers



Station CJGX, Winnipeg Grain Exchange, is located at Yorkton, Saskatchewan, 900 ft. above Winnipeg.



This station is equipped with the very last word in Marconi broadcasting apparatus.

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Western Terminal Elevator Company, Limited

Terminal
Elevator
at
Fort William
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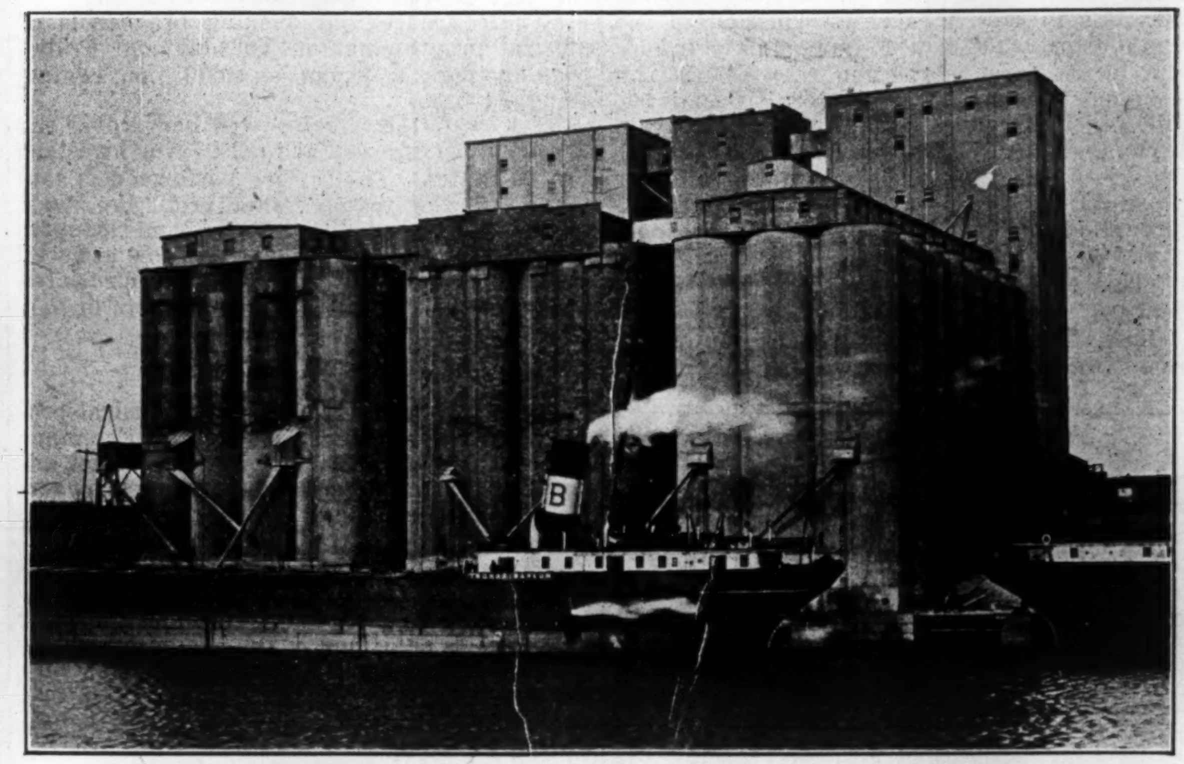
Capacity
3,250,000 Bushels



The Western Terminal Elevator Company's plant at Fort William, Ontario

Offices at
Fort William
and
Winnipeg

Officers:
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D. C. MacLACHLAN, *Manager.*
F. W. CUMMING, *Sec.-Treas.*

Spencer Grain Company
Limited

Head Office:
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Head Office:
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Grain Buyers

Head Office: **461 Grain Exchange Building**
WINNIPEG, MANITOBA

Country Elevators
in
MANITOBA and SASKATCHEWAN

Trading in Futures Takes Speculation Out of Grain Trade

Hedging Is Essential Feature of Every Transaction in Grain From Sale by Farmer to Ultimate Purchase by Milling Company Here or Abroad

One of the most interesting and important features of the grain trade is the market in grain futures. Any one who has the idea that the futures market is conducted for the purpose of speculation can learn upon brief examination that the market exists in Canada for exactly the opposite reason; to take speculation as far as possible out of the business of handling grain, and that this market is one of the essential cogs in the machinery for getting the grain of the West from the farmer to the consumer.

A farmer can drive up to a country elevator on any day of the year and sell his load of grain to the country elevator. The elevator company buys it, because it is at once able to make a contract on the trading floor of the Winnipeg Grain Exchange for the delivery of a corresponding quantity of grain at a future date.

Buyers Can Protect Price

A miller in England wants to contract with his baker customers for flour to be made and delivered four or five months from now. He can set his price because he can send instructions to the market in Winnipeg to buy for him the required quantity of grain for delivery in time for his requirements.

A miller in Canada wants to keep his mill grinding, although he has as yet no contracts for sale of his flour. So he goes into the market and sells for delivery at a future date a quantity of wheat equivalent to what he is buying for current grinding. He will buy back his contract when he is ready to sell his flour, and as prices of flour and wheat fluctuate together it will not matter to him whether prices go up and down in the meantime.

An exporter of grain gets a big order for wheat from abroad. It will take some weeks to make his shipment, but he can agree upon the price with his foreign customer, because he can go into the market and buy the required quantity for future delivery.

Most Contracts Cancelled

Most of these contracts for future delivery are not carried out, but are cancelled by subsequent transactions. The interest which has sold futures for May delivery may dispose of its grain in April, so it will buy back a quantity of May wheat to cancel the first sale. The customer overseas who originally bought May wheat may secure his requirements before that time and will accordingly have May wheat to sell. The futures market is used by grain traders, not so much as a means of securing delivery of grain, but as an insurance against price fluctuations. For that reason the dealer's transactions in the futures market are usually spoken of, not as sales or purchases, but as "hedging," and hedging is the process meant to take the risk of price fluctuations out of the ownership of grain.

In the futures market, grain is traded in for delivery in the months of May, July, October, November and December. The contracts are sometimes known as "options," because the vendor has the option of delivery to the purchaser on any day he chooses during the month specified. That is, if you have sold May wheat, you are at liberty to wait until May 31st before making delivery, but if you have bought May wheat you may have it delivered to you, and have to make payment on any day from the first to the thirty-first of May.

Must be Grain in Store

Grain sold on the futures market must be delivered in store in a terminal elevator at Port Arthur or Fort William. You cannot satisfy a contract or future delivery by tendering grain in a country elevator, or in railway cars en route to destination.

Futures trades are made on the basis of the top grades of grain, with the privilege of substituting certain other grades at specified spreads in price. For example, with wheat, the price is quoted on the basis of No. 1 Northern, but the seller may substitute No. 2 Northern at three cents a bushel less; No. 3 Northern at eight cents a bushel less, or No. 4 wheat at twenty-one cents a bushel less. No other grades of wheat may be tendered in completion of a contract.

A futures contract is originally made between two members of the Winnipeg Grain Exchange on the trading floor, during regular market hours. They are entirely open market transactions. The man who offers to buy at a certain price must accept the first offer made to him to sell; the man who offers wheat must close with the first member who accepts his offer.

But once the buyer and seller have made their deal, direct relations with each other in respect to that transaction are completed. The clearing house takes over the matter from that time and each party makes his subsequent settlement with the clearing house. Practically the clearing house guarantees completion of the transaction, and does so by requiring members to put up sufficient margin to protect their undertakings.

For example, you being a member, have bought from another member 10,000 bushels of May wheat at $1.30 per bushel. The price goes down, and at the close of the market a few days later stands at $1.25. You must deposit $500 or 5 cents a bushel with the clearing house. The clearing house assumes that if you fall down in your undertaking it can find another buyer to take over the deal at the closing price, but it demands cash to cover the drop in value.

Function of Clearing House

The clearing house does not retain this money, but turns it over to the member on the other end of the transaction. Each day, after the close of the market, members pay into the clearing house the amounts required to protect their trades, and at once the clearing house pays the money out to the others in interest.

Then, when the delivery month comes, it is the clearing house which arranges deliveries. A member has sold, for example, fifty thousand bushels of May wheat, or in the language of the trade, is "short" that amount with the clearing house. He notifies the clearing house that on May 2nd he desires to deliver 50,000 bushels of No. 3 Northern wheat, in satisfaction of the contract. The clearing house manager selects one or several firms from those which have bought, or are "long" an equivalent quantity of wheat, and notifies the two parties to make the transfer between them. The transaction is completed at the closing price for the day, which balances the amounts the two parties have previously paid in or received from the clearing house.

Where Cash Buyer Comes In

Now the futures contracts, as we have seen, are both limited and indefinite with respect to time of delivery and to grade, although definite with respect to price and quantity. The purchaser of wheat, on the other hand, wants definite grades to dispose of at definite times. So, as a rule, neither purchasers nor sellers wish to wait for futures contracts to be filled by delivery through the clearing house.

So the purchaser goes out and buys cash wheat, that is actually in store in the terminal elevators at Port Arthur or Fort William and pays for it in cash. He and the seller practically always exchange their futures contracts. This exchange supplements the cash transaction. When grain is traded in without this transfer of options, it is said to be sold "flat," but "flat" sales are the exception rather than the rule. This simply goes to show that the purchasers of grain like to protect themselves by purchasing futures. The fact that Canadian grain can be sold in this manner makes it fit the requirements of the purchaser, and consequently enhances its value. If the purchaser could not protect himself in this manner, he would be taking greater risks in handling Canadian grain, and consequently would be less willing to take it, except at a lower price.

Part of Marketing Process

"Hedging" is so much a part of the process of handling grain that it may be said that most grain is hedged practically from the time of sale by the farmer until it passes into consumption. The banks, when they lend money to a grain company against the grain it owns, want to know to what extent it is hedged. A customer who did not hedge his purchases would be in too dangerous a position to obtain much credit.

The milling companies are among the principal users of the hedging system, for they go through the process practically twice with every bushel of grain they grind. When the miller buys wheat, he sells wheat for future delivery. When he sells flour, he buys back his futures contracts. Because of his ability to hedge he can keep his mills grinding steadily away, unworried about changes in price, and with his operations limited only by his ability to find a market.

No Desire to Speculate

It may be said with confidence that the principal handlers of grain, the elevator companies, the millers and the exporters, have no desire to do a speculative business. No matter how close they are to conditions they have no confidence in their ability to judge whether prices are going down or up. They look for their earnings, not to changes in prices, but to the collection of what is practically a small service charge on a very large volume of business. The ownership of grain, which is subject to considerable changes in prices, would except for "hedging," involve them in very heavy speculative risks, which they have neither the desire, the means or the credit, to undertake.

The futures market, therefore, is one of the things that enables the Canadian grain handling system to function smoothly and efficiently, and by doing so it adds to the value of the Canadian crop and to the price received by farmers.

Grain Exchange Seats Rise Despite Pooling

When the wheat pool was organized there were many who feared that the Winnipeg Grain Exchange, as a cash grain market, would either go out of business or dwindle in importance.

Such has not happened. Five years ago a seat could be purchased on the exchange at $6,000; to-day their market price is $10,000. That is the answer to the expectation referred to.

The wheat pool is itself a member of the grain exchange, uses its facilities, uses the elevators and other machinery of the private grain firms, and has in no way changed the course of the grain movement from producer to consumer.

Alberta's Wheat Crop 180,000,000 Bushels This Year

This fine photograph, recently taken near Lethbridge, Alta., provides proof of the growing diversity of the resources of Canada's western prairies. A coal mine is shown in full operation, while grain has just been reaped and is awaiting the thresher. Alberta has 180,000,000 bushels of wheat this year, a new high record.

Whether West Prospers Or Declines Wheat Pool is Doomed to Dwindle

This is View of Close Student of Grain Marketing Who Sees Rise of Individualistic Spirit in Independent Grain Grower

Many westerners who are watching the activities of the wheat pool very closely, hold to the view that the real testing time for the pool principle will come when wheat prices fall back through a rise in the world's surplus. To date, the pool has been exceedingly fortunate in operating in a period of generally good prices for wheat and other grains. The pool argue these westerners, will not seem such a panacea when it finally dawns upon the western farmer that the pool cannot raise the world level of wheat prices. Farmers will become discontented by the decline in their prosperity and will fall away from the pool in large numbers just as they rushed to it as a cure-all when world conditions and a succession of poor crops reduced their purchasing power.

That is one view. "That will happen, but the pool is also bound to lose in proportionate strength even if wheat-belt prosperity continues," said a well informed student of the grain markets, not connected with the private grain trade. "The pool grew out of the discontent of the western farmer with conditions over which he had no control, but which he thought he could control by the pool system. But I am not sure that continued prosperity will not also weaken the pool's position.

Will Want to Sell Own Grain

"When the farmer is prosperous he becomes more independent in spirit. He wants to run his own business and do his own selling. He figures that he can get more for his wheat than the pool can get him. He decides to stay out of the pool and go it alone.

"Whether the West has prosperity or depression I do not think that the pool will hold twenty-five per cent. of the acreage a few years from now. The pool has reached its peak. It is now trying to 'dig in' by building up an elevator system that it will own and control. The pool leaders do not do so much talking about raising the level of prices. They know that they cannot do it and they know that it only makes them unpopular abroad to say that they can do it. They have switched their attack. The future of the wheat pool is gradually declining importance in the scheme of grain marketing."

McCABE BROS. COMPANY
GRAIN COMMISSION
WINNIPEG, MAN.

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COMPANIES OPERATING
ONE HUNDRED AND FIVE
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CRESCENT ELEVATOR COMPANY Limited
COUNTRY ELEVATOR OPERATORS
WINNIPEG, MANITOBA

Grain Trade and Bankers Finance Crop

Often Months Between Farmers' Delivery of Grain and Sale to European Buyers — Banks Have to Put Up This Money in Loans to Farmers and Other Interests in Western Canada

By **FRANK H. AVERY**

The value of Western Canada's grain crop runs into a large sum of money. For instance, in this present year, estimates of the wheat crop alone run well over 400,000,000 bushels. To most people, that represents in a vague way prosperity and good times. They turn it into money and say, "Well, we will have $500,000,000 in the West this year, anyway," but they seldom stop to think just how that money arrives in Canada, or where the money comes from that makes possible in the first place the seeding of the crop, in the second place harvesting it, and in the third place getting it to market.

The big market for Canada's grain crop is Europe, and it is evident the money for that crop cannot be received into this country until the grain has reached its destination. But before doing that it has passed through many hands, and many months have elapsed since it was harvested. So where did the money come from with which the farmer was paid for his grain? The farmer says, "The elevator company, or the wheat pool, or the broker on the grain exchange who handles my wheat on commission." But that does not answer the question, for all of these in their turn had to get the money from somewhere else, pending the final settlement for the wheat.

Takes About $150,000,000

It has been estimated that it takes at certain periods approximately $150,000,000 to handle the crop, and it takes that amount of money for perhaps three to four months. If by any reason of ideal harvesting conditions the season is shortened, then for a correspondly shorter period of time it takes even more than that amount. If the season is protracted, it takes somewhat less, but spread over a longer time. However, it may be taken as a generality that every year from somewhere or other $150,000,000 must be forthcoming to harvest and sell Western Canada's crop. But while the actual amount of money in use at one time is about $150,000,000, the credit resources that are brought to play in financing the crop movement far out-reach that figure. It is estimated that the banks of Canada grant credits totaling $200,000,000 to line elevator companies, the wheat pool, etc., and, in addition, the resources of the private grain trade are always at work. The $200,000,000 bank credits are never entirely in use at one time. When it is said that about $150,000,000 is on loan against grain moving outwards from the prairies, it may roughly be assumed that about a third of this is private money, and the figures only include credit used in handling the crop from the farm to Fort William, or Vancouver, and do not include credit in the East or on the ocean.

To commence at the beginning, however, the farmer of a few years ago went to the bank to borrow the money to put in his crop. He gave as security his note, while the bank manager naturally enquired as to how much land he owned, the condition of the mortgages against it, improvements on the land, cattle owned, and so forth, in order to see that there was a reasonably sound basis for the credit. The same conditions still largely prevail, the amount of assistance required in the spring depending to some extent upon the success or failure of the previous crop. This transaction is, of course, fairly simple, the loan being made directly by the bank. Then, when the crop is ready for harvest, the bank may again be appealed to for preliminary funds to enable the farmer to pay wages, feed his men, purchase binder twine, etc. It is when thousands of farmers, however, have brought their crops to the point that they are ready for the market that, in the aggregate, vast sums of money make their appearance.

Different Methods of Marketing

There are several methods of marketing. The farmer, for instance, may not want to sell at once. He can put his crop in an elevator, or in his own granary and, under Section 88 of the Bank Act, obtain certificates showing the amount and the grade of the wheat, and then go to the bank with the certificates and borrow money against them to pay his store and other accounts. Later he, perhaps, orders a car from the railroad company, ships his grain to the order of a brokerage house, either with instructions to sell or to be held for orders. In either event he may draw upon the grain company up to a reasonable margin of the market value of his product, and is then able to pay off his indebtedness to the bank.

Principal Wheat Producing Countries Throughout World

Figures are five-year average, 1921-25

	Bushels
United States	804,000,000
Russia	504,636,000
Canada	374,024,000
India	335,888,000
France	290,772,000
Argentina	230,387,000
Italy	198,000,000
Spain	142,000,000
Australia	127,000,000
Germany	98,000,000
Roumania	89,000,000

Or May Get Cash at Once

Instead of doing this, he may have sold to a street bidder, taking the day's price at whatever it was. He then obtains a ticket from this buyer which he is able to cash at the bank immediately.

The banks cash these grain tickets by reason of an agreement entered into with the head office of the grain company, generally in Winnipeg. In making this agreement the grain company has estimated the amount of money it will require for its purchases of grain and, instead of accepting the risks consequent upon sending money out to all its buyers, has asked its bank to establish credits at whatever points the company may be operating. Its own bank may not have a branch at some of the points, but arranges with whatever bank has an office there fore the necessary credit, guaranteeing the other bank against loss. It may be incidentally mentioned there is much competition on the part of the banks to cash these grain tickets, as frequently other banking business follows. Every so often the country branch draws on the grain firm with the grain tickets attached, and these are taken up by the grain company, who give a cheque on their own bank in payment. In places where there is no branch bank, the actual cash is sent to a paying agent, the procedure then being the same as before.

The services of the elevator companies in financing the crop cannot be over-emphasized. Not only do they throw into the grain movement their own immense resources, but it is upon their lines of credit at the banks that most of the additional cash is found.

If a pool farmer delivers wheat to a country elevator, he receives an advance from that country elevator equivalent to the pool's fixed advance payment. Until the wheat is delivered to the terminal at the head of the lakes, where the elevator company is reimbursed, the entire transaction is financed upon the credit of the line elevator company just as if the farmer where not a member of the pool.

Keep Branches Supplied With Cash

It will be readily understood that during this period of the year the branch banks must be well supplied with funds, and the main office of each bank in its nearest headquarters attends to feeding the branches with the required cash.

To obtain the funds with which to meet the farmers' drafts, the elevator company must borrow from its bankers. The company presents its balance sheet to its bankers and arranges for a line of credit against grain, borrowing under Section 88 of the Bank Act. The company must of necessity have sufficient liquid assets to enable it to provide a margin required by the banks of at least ten per cent. in grain. The elevator companies must render a statement twice a month to the banks showing grain on hand, and must also show their purchases of grain hedged in the market. Roughly speaking, hedging is the operation of covering purchases in the country by selling the grain on the exchanges for future delivery. The elevator companies then ship to terminals at the lake ports. They can then borrow from the banks against terminal warehouse receipts, or sell the grain.

Even Rate of Interest Now

A few years ago it was customary to charge a greater interest rate on grain being held in the country elevators than grain stored in the terminal elevators, but conditions have changed and, generally speaking, the same rate of interest is now charged.

Grain in the terminal elevators is sold to the exported, who either continues to borrow against it or sell it. If the latter, he draws a bill of exchange against the firm to whom it has been sold, generally some European firm. This bill of exchange is then sold to the bank, who sends it to its European agent or to its own branch office, the money is collected, sent to Canada, the transaction is completed, and the money furnished by the bank, perhaps months earlier, is returned to it.

How Banks Get Large Funds

The situation as it is to-day did not arise at once and, while the growth of the Canadian West has been rapid, banking officials have been able to draw upon the experience gained from year to year. They know that a large amount of money will be required in the West, seasonal credits in other businesses are repaid, call loans, etc., are called in, and the money is available for use in Western Canada to finance the handling of the crops.

If, as sometimes happens, the banks' holdings do not permit of immediate return of all the capital required, provision has been made in the Bank Act for additional money, which may be raised by the expedient of a larger than normal issue of bank notes. The banks can also borrow from the Canadian government by pledging securities, and in this way the finance minister acts in a similar capacity to the Federal Reserve Bank of the United States.

Of recent years a new element in the shape of the wheat pools has come into existence. A few years ago, Alberta farmers decided to form a wheat pool. They needed money to finance payments and went to the banks for assistance. They asked for an amount up to $25,000,000. The banks were willing to help, but pointed out this was a new departure and they themselves must be secured. Under the system of loans to elevator companies the banks were protected by the hedging process. There would be no such protection under the pool system.

The government of Alberta agreed to give a guarantee to cover the original margin, which the banks accepted. The elevator companies agreed to finance the handling of grain at their country elevators until it was shipped and received at the terminals. The pool then commenced operations.

Pool Now Has Capital

A great many farmers signed up with the pool and, when the wheat was received, the farmers were paid a first payment on their product. The actual figures are of little importance, but, assuming that at the time wheat was worth $1.25 per bushel, the pool paid out $1 and, as it sold the wheat, the margin with the banks constantly increased. The guarantee made by the Alberta government soon became in-operative and has never been renewed. From its inception the wheat pool set aside a deduction from every bushel sold and consequently now has a very considerable capital of its own. Further payments are made in the spring and autumn, as the pool sells the wheat and is in a position to know that this may reasonably be done.

The wheat pool re-imburses the banks in a manner very similar to other exporters, and, while there are now three wheat pools, they all function through a central selling agency which plans the individual pools in funds to settle with their members as the second and third payments are made. The pools now have a large number of country and terminal elevators and are to-day a very large factor in the grain-marketing business of the West.

Does Not Dislocate Business

It will be seen, however, that from the seeding of the crop to the harvesting thereof, the money is drawn from the Canadian chartered banks, and it speaks well for the elasticity of the system that, while they are called upon to produce practically $100,000,000 every year, it is done without the slightest dislocation of ordinary business—so much so, in fact, that few people are aware of the great part the chartered banks play in the seeding, harvesting and marketing of the crop of the Canadian west.

Thunder Bay Terminal Elevator
COMPANY, LIMITED
GRAIN EXCHANGE BUILDING
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OPERATING TERMINAL ELEVATOR AT PORT ARTHUR

N. M. PATERSON
& COMPANY LIMITED
GRAIN COMMISSION MERCHANTS
609-627 Grain Exchange
Winnipeg, Canada
ELEVATORS IN
MANITOBA,
SASKATCHEWAN,
ALBERTA

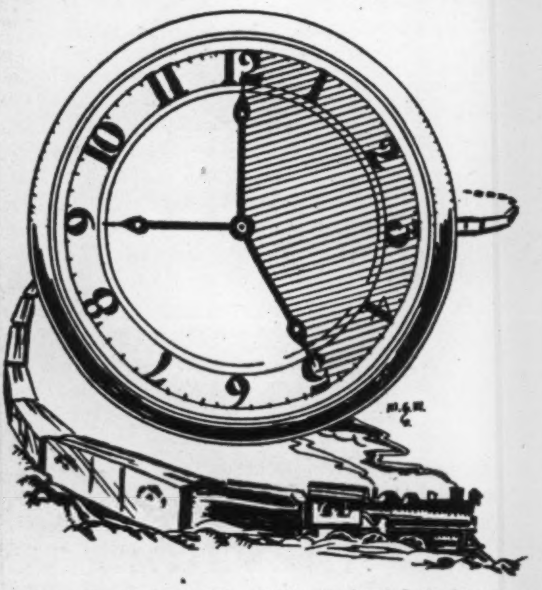
Railways Organize Months in Advance to Transport Wheat

In Height of Season, Millions of Bushels of Grain Must Be Loaded and Started on Way to Markets of World — Amazing Transport Efficiency Is Shown

The world eats out of Canada's hand. We can say it without being either arrogant or impudent. When a country produces more than four hundred million bushels of grain in a season, it is producing for the world. And production for the world involves not only production but transportation. It is one thing to grow wheat and another thing to transport it. Two and two make four: if there were no railways, the world would not be eating out of Canada's hand. The biggest task the railways have in the year is moving the grain from the fields to the elevators and the ships, and out into the world.

Big Problem in Transportation

Canada's two great railway systems, facing a constantly increasing grain haulage business, are fully aware of the significance of it, and, long before the farmer has finished seeding, the officers of these systems are planning the mobilization of equipment which will carry the seed in its millions of bushels when it has grown into grain and has been threshed. When consideration is taken of the short season in which the railways have to shift the crop, between the time it is beaten out of the straw and the time the country is heavy with snow, and not only of the short season, but of the unusual weather conditions, which are not unusual in Western Canada, it can readily be seen what a problem the hauling of grain is. The unusual conditions this year were created by a tardy spring, which meant late seeding, an uncertain summer and a glorious October. This all meant a short, brisk threshing and the straining of the farmers and the railways under a highly concentrated effort.



Every 25 minutes a train of 40 carloads of grain leaves Winnipeg in the peak of the season.

Early in the season, weeks before cutting was general in the grain fields, the railways were dragging box cars by hundreds across the country and parking them here and there and all over the plains. Not helter skelter, however, for the railway officials took great care to see that they were placed where they would be most needed. Even here, however, they were subject to the weather. Manitoba is usually the first to thresh and, naturally, the bulk of cars are distributed first in Manitoba. If Manitoba drags behind Saskatchewan, however, the railway has to see to it that the cars are moved out quickly and sent to the districts which are ready for them. This is only done by keeping a constant tab on the progress of the threshing, which is a continuation of the check kept on the crop throughout the whole country from the time seeding begins.

Forty Thousand Cars in One Line

By the time threshing is under way, the Canadian National alone has waiting for it more than forty thousand box cars, sufficient locomotives to handle them, and enough cabooses for the great number of crews which are necessary to run the trains. The railways were never better prepared to take hold of the crop than this year, and preparation means not only having the cars and having them in the right places, but having them in perfect condition. The moving of grain is strenuous work and every car is thoroughly overhauled before it goes out. All summer long, gangs are working over every inch of the track, replacing rails and ties when it is necessary, ballasting, and, in short, keying the whole system up to the highest pitch in order that no delay may occur in the movement of the crop.

With the preliminary arrangements completed, the handling of the grain resolves itself into the movement of loaded cars and the distribution of empties. Shipments westward to the Port of Vancouver and north to Prince Rupert have increased greatly within the past few years, but the bulk of the crop still goes eastward to the head of the lakes. To prevent congestion in the flow to Fort William and Port Arthur, the Canadian National Railways opened the Neebing terminal, which provided more than 43 miles of trackage for the classification and distribution of grain cars, and sorting and storage tracks are maintained at Winnipeg.

The unloading and redistribution of empty cars is one of the greatest problems with which the railway has to contend. When the cars are emptied at the lakehead, the number required to handle coal, or other freight originating there, is kept out and the others are sent back west again. Out of every four hundred cars emptied at the head of the lakes one hundred are required for re-loading to western points, and of the remaining three hundred which are moved empty to Winnipeg, one hundred are required for loading at Winnipeg and the other two hundred are available for distribution as empties. Of course, the first two hundred are later available for re-loading when they are released at their destinations.

How Cars Are Distributed

The telegraphic reports showing the number of cars required at the elevators and the loading platforms at different points are carefully scrutinized in Winnipeg each day and the empties are billed west to the different divisions, in accordance with the Grain Act. The division superintendents nearest Winnipeg are instructed to hold out their allotment and send the balance through to the next division where like instructions are issued, and these instructions are continued in turn until the entire territory is covered. After forwarding the empties to the next division, the superintendent's attention is then turned to the distribution of his own allotment to the grain-loading points on his territory and his car distributor, who makes a constant study of the situation, makes the best possible distribution of the empties at his disposal, and to supplement this supply he uses to the best advantage the loaded cars made empty in his territory.

It may not seem to a shipper or a consignee that the situation can be helped to any extent if he loads or unloads a car promptly, but if each would remember that there are at least 2,000 grain-shipping points in the west, he would realize what it means not only to the railroads but to grain shippers also to have cars loaded and unloaded without delay. To assist not only the railroads but the shippers as well, the much-abused demurrage charge works toward the desired end, but it can be readily understood that the railways would much prefer to have their cars earning freight charges than to have the nominal fee imposed to secure prompt loading or unloading.

Have Large Storage Capacity

The storage of grain is second in importance to the movement of it. Along the Canadian National lines in Western Canada there are 1,500 grain-loading stations and 2,000 elevators. On the C. P. R. there are 2,500 elevators. The capacity of these country elevators is 120,000,000 bushels on the Canadian National and 160,000,000 bushels on the C. P. R. Elevators at the head of the lakes have a capacity of 74,000,000 bushels; Vancouver can hold 7,500,000, Prince Rupert 1,250,000, Edmonton 2,500,000, Calgary the same, Saskatoon and Moose Jaw a million more than this each; and Winnipeg can accommodate 2,500,000 bushels.

This year has seen new peaks in rapid grain trading. The lateness of the crop and the improvement in farm transport methods have been responsible for the new records. On October 24 the Canadian National loaded 1,925 cars and the C. P. R. 2,112 cars. This represents about 8,000,000 bushels for one day.

Lake navigation usually closes on December 12, although for insurance purposes, November 30 is the agreed date. Starting in the middle of November each year, then, special attention is given to the movement from country, interior lakehead elevators and mills to Eastern Canada and also to the seaboard for export. All-rail business falls between about November 15 and May 15.

BEGINNINGS OF GRAIN EXPORT

The "Anson Northrup," the first Red River steamer, so warmly welcomed by Winnipeg on May 19, 1859, found no grain cargo awaiting export. Ten years later, in 1869, these prairies actually imported 11,739 bushel of wheat and barley, and in addition 7,275 barrels of flour. In 1926, the export of wheat alone was over 300 million bushels. The demand for farm machinery in 1869, is reflected by the import of 32 mowers and reapers and 37 ploughs and cultivators.

Though these small beginnings are viewed with respect by the present generation, only the old timers seem to realize how startlingly recent they have been, as time counts in the life of a nation.

Prior to 1877, dealing in grain occupied a comparatively modest place in the business life of the prairies, but in that year a shipment of 877½ bushels of wheat marked the first export of our grain.

The credit for the arrangement of this and later shipments is peculiarly the property of the grain trade. What vast changes to the west were to result, were probably but dimly foreseen or what numerous difficulties, hazards, and at times paralyzing losses were to be endured in the erection of an efficient export system, were, perhaps fortunately, not realized, either.—From "The Grain Trade in Western Canada," by Dawson Richardson publications, Winnipeg.

Harvesting Times Throughout World

The following shows the period of the wheat harvest in the wheat-growing sections of the world:

January—Australia, New Zealand and Chile.

February and March—East India, Upper Egypt.

April—Lower Egypt, Syria, Cyprus, Persia, Asia Minor, India, Mexico and Cuba.

May—Algeria, Central Asia, China, Japan, Morocco, Texas and Florida.

June—Turkey, Greece, Italy, Spain, Portugal, south of France, California, Louisiana, Mississippi, Alabama, Georgia, Carolinas, Tennessee, Virginia, Kentucky, Kansas, Arkansas, Utah, Missouri.

July—Roumania, Bulgaria, Austria, Hungary, south of Russia, Germany, Switzerland, France, south of England, Oregon, Nebraska, Minnesota, Wisconsin, Colorado, Washington, Iowa, Illinois, Indiana, Michigan, Ohio, New York, New England and Eastern Canada.

August—Belgium, Holland, Great Britain, Denmark, Poland, Columbia, North and South Dakota, Western Canada.

September and October — Scotland, Sweden, Norway and north of Russia.

November—Peru, South Africa and Argentina.

December—Burmah and Argentina.

The Western Empire Life Assurance Company

THE SPLENDID PROFITS which this Company is paying to its Policyholders will be further increased as a result of the HIGH INTEREST EARNINGS of the Company, its MODERATE EXPENSES and exceptionally LOW MORTALITY experience.

Some very attractive contracts will be given to agents who can produce good business.

Head Office: Winnipeg

Norris Grain Co., Ltd.

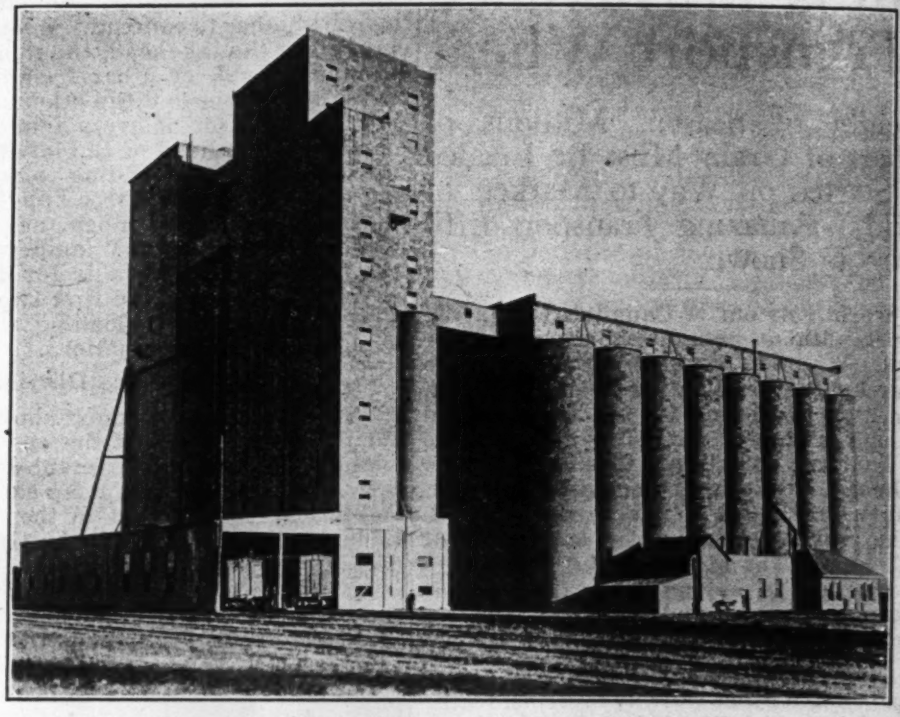
705-711 Grain Exchange,
WINNIPEG

We give special attention to the wants of Canadian and American mills buying and selling high class milling wheats and other grains.

Consolidated Elevator Company Limited

Head Office: - Grain Exchange Building
WINNIPEG

Terminal Elevator, 1,750,000 bushel capacity
FORT WILLIAM, ONTARIO



Another link in a great chain — the Consolidated Elevator at Fort William, Ont.

Gooderham, Melady and Sellers, Limited

Head Office: Winnipeg, Grain Exchange Building

Correspondents

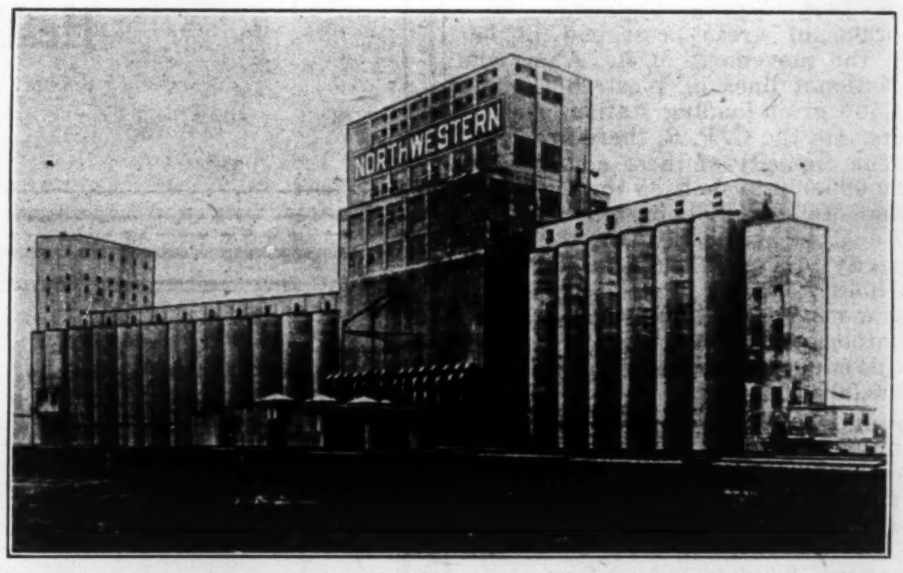
MELADY AND COMPANY
Toronto

MELADY GRAIN COMPANY
New York

International Elevator Company Limited

Head Office:
Grain Exchange Building
WINNIPEG

Owns and Operates
Country Elevators in
Manitoba and Saskatchewan



The extensive plant of the Northwestern Elevator Company at Fort William. Illustration does not show the splendid water transport facilities.

Brooks Elevator Company, Limited

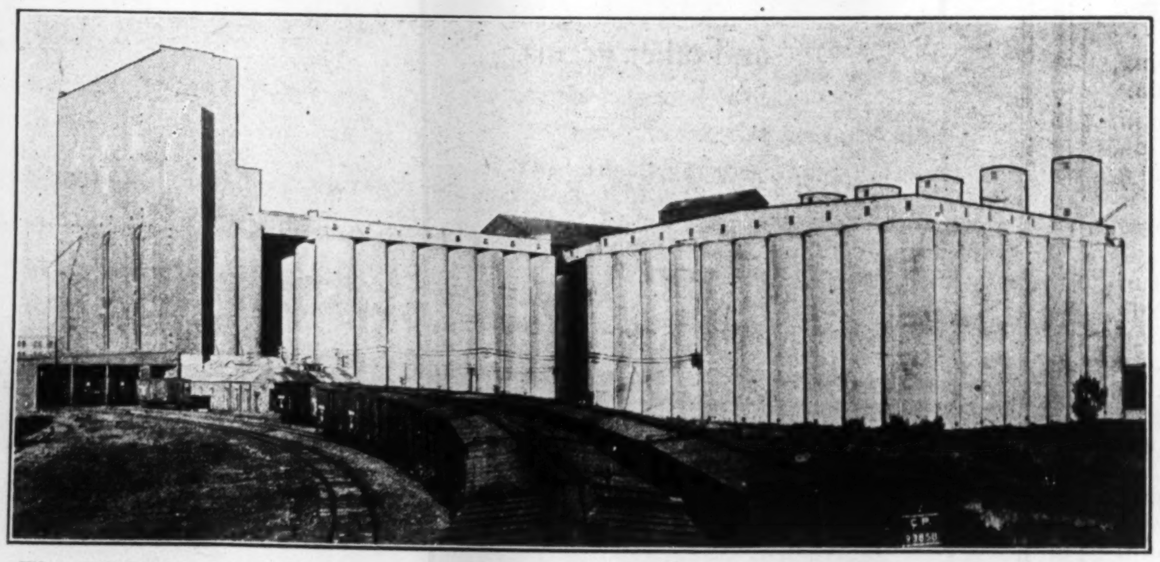
Head Office: WINNIPEG

Owns and Operates
Country Elevators in
Manitoba, Saskatchewan
and Alberta

The Northwestern Elevator Company Limited

Head Office: Winnipeg, Grain Exchange Building
Owns and Operates Terminal Elevator

3,500,000 bushel capacity
FORT WILLIAM, ONTARIO



The C.P.R. Terminal Elevator, Fort William, Ontario, operated by Northland Elevator Company, Limited

Northland Elevator Company, Limited

Head Office: Grain Exchange Building
WINNIPEG

Operates C.P.R. Terminal Elevator
8,000,000 Bushels Capacity

FORT WILLIAM, ONTARIO

Canadians Cannot Set Price of Grain to Foreign Buyers

Despite Our Important Position in World Wheat Trade, We Must Compete With Other Countries, With Other Food Products and With Changing Economic Conditions Abroad

Canada is an important factor in the international wheat trade. But, contrary to widely-held impressions, Canada has not a sufficiently strong position in international wheat trading to be able to fix the level of prices; by concerted action on the part of grain producers to raise the level of wheat prices throughout the world.

Wheat is Not Only Food

On this point, one of Canada's foremost authorities on grain, Dr. Robert Magill, formerly chief commissioner of the Board of Grain Commissioners for Canada and now secretary of the Winnipeg Grain Exchange, has said:

"Wheat is a very important food, but it is by no means the only food. If, for example, you look at the Asiatic peoples, imported wheat is very little used. There is wheat grown in China and there is wheat grown in India. But the food of the masses of the people of Asia is not wheat; it is rice and other foods, many of them costing less than wheat. And while Canada ships some to the Oriental market, it is very little in volume; and whatever we may hope for in the future, there is no prospect of a rapid increase in the exportation of wheat from Canada to the Orient. True enough, when the rice crop is a failure there is occasionally a demand for a little more of our wheat. But, I repeat, the demand for wheat in the Orient is very small.

"When you look from Asia to Europe, you are immediately struck by the fact that there is a very large population in Europe who eat rye in preference to wheat. Wheat is grown in almost every country in Europe, more or less, but the people of Russia, for example, prior to the war ate rye, a cheaper food, and exported their wheat; and in other European countries, for instance Germany and Austria, there are large numbers of the people who ate rye, and who still eat it in preference to wheat.

Some Do Not Use Wheat

"Again, there are populations who eat potatoes or other cheaper foods in preference to high-priced wheat flour bread. What I mean is this: Over vast areas of the globe and among vast populations there is very little, if any, demand for wheat. We, living here in the prairie country, tend to forget this at times, and perhaps to think that our wheat is indispensable to the human family. Well, it isn't by a long way. And the price of wheat every year the world over is affected very profoundly by the quantity and the price of these other competing foods.

"Further, a crop of 400 million bushels of wheat in the three prairie provinces is a big crop—a bumper. But, as a matter of fact, the world's production of wheat every year is over three billion bushels. And the price of wheat is affected not only by the price of other foods, but it is also affected by the total annual wheat production of the world. And, while a 400-million-bushel crop in the three prairie provinces is an immense thing to us, it is not an immense thing compared with the world's total wheat production.

"Let us not suffer from a swelled head so far as business ideas are concerned. Western Canada takes an important place in the export of wheat, but that is because we are a wheat people in numbers. We cannot consume very much of our wheat, and we have to export the balance. But it is of great importance to realize that, when we endeavor to export this surplus of, say, 300 million bushels of wheat, we have to sell it in competition with other food supplies and other wheat supplies. It follows, then, that we are exposed to the competition of, say, rye and potatoes grown in Europe at perhaps much less cost than the cost of producing wheat in Saskatchewan; and not only that, but that we are selling Saskatchewan wheat in competition with wheat from other countries where the cost of production may be much lower than in our own country.

Ability to Pay is Factor

"There is another general condition affecting our export of wheat, and that is the power of the buying country to pay. There was a time when this was a matter of little or no practical consideration. But this condition cannot be ignored in these post-war days; days of immense national debts, of high taxation, and of disorganized industries in all the wheat-buying countries in Europe. Our biggest market for wheat is, of course, Great Britain. But Great Britain has immense business troubles. Her paper money would do us very little good. Her gold is limited. We have a tariff against her goods. She cannot live without, for example, cotton, and hundreds of other imported articles, any more than she can live without wheat. And what is true of Great Britain is true also of France, Germany, Belgium, and Italy. It is, of course, natural that this country should seek to get the very highest price for wheat that it can, and that all other countries that export things to Great Britain should do their best to exact the highest prices they can for those articles. But, you see, there is something here fundamental. Ability to pay is a condition and the economic disorganization of Great Britain and of Europe makes the exporting of wheat, or any other large and important article of commerce, a very difficult matter.

"But you may say they cannot live without wheat; they cannot live without wheat from Western Canada, and we can make them pay for it.

Our Exports Are New Thing

"We may think so. And yet it is only within recent years that the British and European peoples made the acquaintance of wheat from Western Canada. They had to live without our wheat practically to the opening of the twentieth century. There are men in the Grain Exchange in Winnipeg to-day, reared in Great Britain, who attained to manhood before they ever tasted bread made of Canadian flour. And if something destroyed the wheat crop of Western Canada absolutely and forever, while there would be no doubt a certain disturbance for a short time, those countries would still live, still get ample food, and still prosper.

"The fact is, if any of us have dreams that by any method of combination in this country, or by any means of combination between this and other countries, we can force the price of our wheat beyond what I call its natural competitive value in relation to other foods and other wheats, and to a point beyond which our buyers can afford, we shall meet with a rude awakening.

Grain Flows on Even Keel

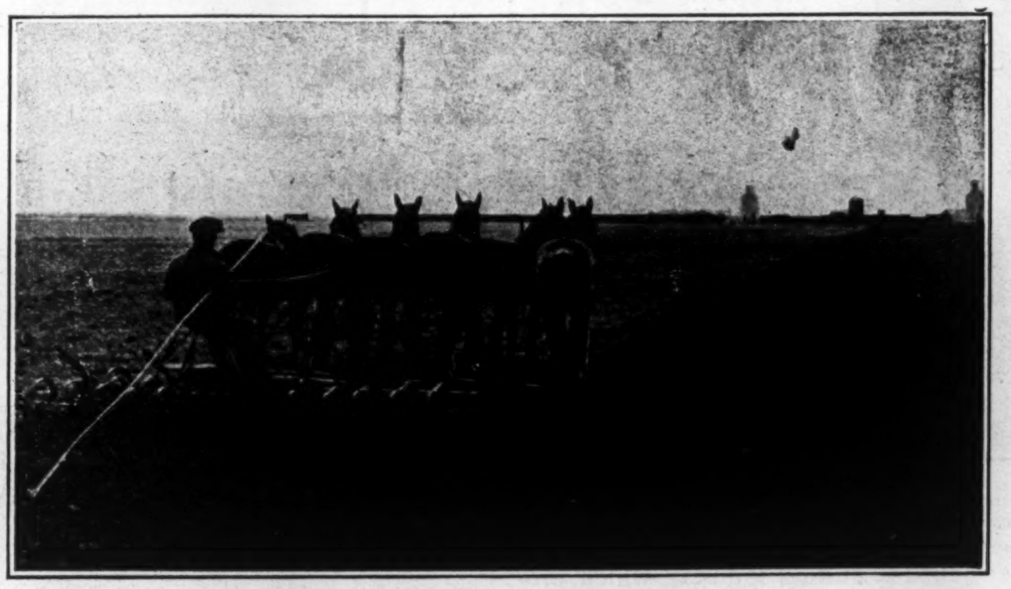
"We cut our wheat in Western Canada in August, and we proceed to ship a large proportion of it across the lakes before navigation closes. We do so because water freights are lower than all-rail freights in the winter months. We cannot ignore the climate, and we are unable yet to reduce all-rail rates so as to transport wheat by rail as cheaply as we can do it by water. Consequently, immediately after threshing, farmers rush their wheat to the country elevators, the railways rush it to the terminal elevators, the shippers rush it across the lakes to the seaboard, and in this way an immense percentage of our wheat appears to be thrown on the world's markets between harvest and the close of navigation.

"But bread is eaten every day in the year among the populations that buy our wheat, and the actual consumption of bread is not seasonal like the rushing out of our wheat. What happens? It is curious, but it is fact just the same and can be verified, that wheat is delivered in England fairly regularly every month in the year. The evenness of the receipts of North American wheat in the United Kingdom the year through is quite striking, and the explanation is not very difficult. The British wheat importers and millers who use our wheat have dependent upon them a population of, say, 45 millions of people. They buy wheat ahead—weeks ahead, months ahead—of the time when that wheat will be eaten as bread. They buy it for future delivery to them for the future daily delivery of bread to the consumer. In the work the British Mercantile Marine plays an important part. Great Britain founded her prosperity upon the ocean vessel. She discovered early that if she could send the vessel from her country full, or fairly so, and have it returned full, or fairly so, her prosperity was sure. She was not much interested in elevators for the storage of grain, and the elevator capacity of the British Isles is small. She permits us on this side of the Atlantic to take care of the wheat, to hold it in our vast elevator capacity until her vessel comes to the seaports for it. And while a large percentage of our wheat may appear to be thrown on the market in a rush, it is taken care of by a system of storage and of transportation that is one of the greatest creations of international commerce. As I have stated, wheat is delivered in England fairly regularly throughout the year. It is bought for future delivery by Englishmen according to their needs, and on a system of banking and hedging which gives the farmer the full competitive value of his wheat, and which is maintained at a cost which is probably less than the cost of the marketing of any other great article of commerce.

No Control of Flow

"It has been argued by some that if we hold our wheat back in this country, if we refuse to dump it between harvest and the close of navigation, if we control the flow, we shall make the buyer pay a higher price for it. What is the fact? The fact is that, after two or three years' operation of the Pools, wheat is rushed to market—Pool wheat as well as non-Pool wheat—just as it was prior to the war, and prior to the organization of the Pools. The only difference that appears to be is that it is rushed to market a little more rapidly than before the Pools started operating. There has been no control of the flow; there can be none. And if Western Canada does not sell its wheat when the buyers wish to buy it, it is likely to be left with a carry-over at the end of the year, which would be fatal, at all events, to us on the prairies."

First Sign of Spring in Western Prairies



Turning the sod, the first step in grain growing.

Young Men of To-day Will See Wheat Crop of Billion Bushels

The grain trade of Canada is showing its faith in the future by investing millions of dollars in new elevators—both country elevators and large storage elevators. Despite the expansion of the wheat pool into the commercial arena, through the purchase, erection, or lease of grain-handling facilities, private capital continues to show its faith in the future by carrying on a programme of expansion.

Study of figures showing the growth in wheat acreage and wheat production indicates why Canadian capital has this faith in the future.

How West Has Developed

At the beginning of the century, Western Canada had:

400,000 people;
500 grain elevators;
5,000 miles of railroad;
2,000,000 acres of wheat;
17,000,000 bushels of wheat.

In 1927 Western Canada's record was:

2,000,000 people;
4,500 grain elevators;
16,500 miles of railroad;
22,500,000 acres of wheat;
450,000,000 bushels of wheat.

The possibilities of much greater expansion to come cannot be denied. The limit of cereal production is far beyond the present horizon. In the three western provinces there are 170,000,000 acres of good arable land, of which only 40,000,000 acres have been sown to field crops.

Cheap Land Still Available

There are still some 25,000,000 acres of land lying within 15 miles of existing railroads —unoccupied, fertile land. Lands suitable for general farming can be had for $18 an acre—even $15 an acre—in reasonably good locations.

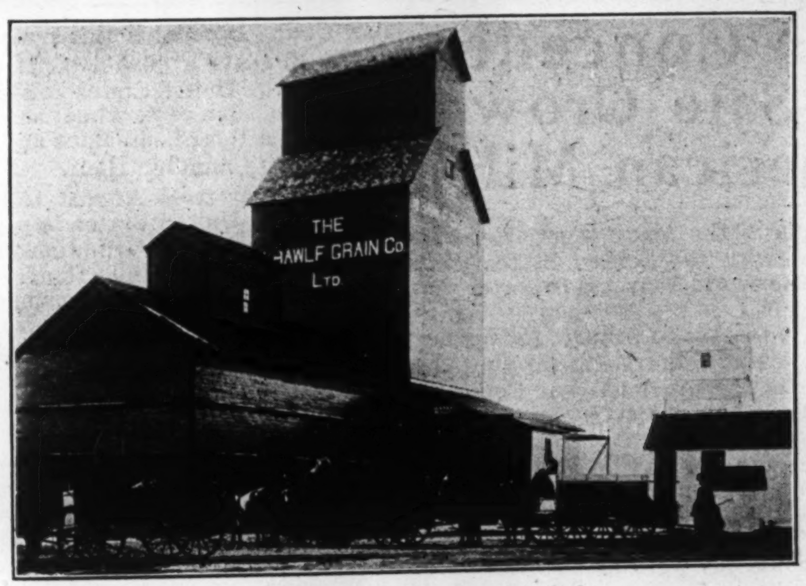
An American economist, in a speech delivered in the heart of the United States wheat belt, recently advised his listeners to sell their farms at the $150 to $200 an acre they would bring and move to Canada where good land within fifteen miles of the city hall of Calgary could be had for $15 an acre.

A billion bushel wheat crop in Western Canada will be seen by many of the present generation.

The
Empire Elevator Company
Limited

Grain Exchange Building
WINNIPEG

Operating Terminal Elevator at
Fort William



The elevator above designed and built by us.

The Harper Construction Company
LIMITED
General Contractors and Engineers

ELEVATOR AND MILL CONSTRUCTION
A SPECIALTY. PLANS SUBMITTED AND
ESTIMATES FURNISHED.

GRAIN EXCHANGE WINNIPEG, MAN.

Milling Industries Are Closely Allied With Wheat Trade

Canadian Flour Mills Consume About 20 Per Cent. of Annual Production of Wheat and of This a Large Proportion Is Exported in the Form of Wheat Flour

Canada's milling industry is closely allied to the grain trade of the country. The flour mills of Canada consume a large part of the wheat produced in the prairie provinces.

The Canadian milling industry produces between 18,000,000 and 20,000,000 barrels of flour annually. This takes from 20 to 25 per cent. of the annual wheat crop, or roughly 80,000,000 bushels of wheat. Canada exports about 12,000,000 barrels of flour annually. This represents roughly 50,000,000 bushels of wheat. Of Canada's total exports of wheat, usually about one-fifth leaves the country in the form of flour.

These figures broadly indicate the importance of the milling industry in the development of wheat growing and the operation of the grain trade in Canada.

Part of Grain Machinery

The milling companies are active operators of grain marketing machinery. They own lines of country elevators in Western Canada, terminal as well as storage elevators. They are members of the Winnipeg Grain Exchange and the Lake Shippers Clearance Association.

Flour milling in Canada has grown rapidly and is regarded as having a promising future. But it has serious problems that prevent it from quickly attaining the point where a large part of the wheat production of the country can be milled at home. Freight rates, both rail and boat, govern the flow of wheat to a considerable extent and divert much of the Canadian supply past the logical or possible milling centres. Tariffs abroad build up flour mills that use Canadian wheat, although these tariffs keep Canadian wheat out when made into flour in a Canadian mill. The necessity of having local markets for by-products has also operated against the milling companies in a country as small as Canada.

Basic in Importance

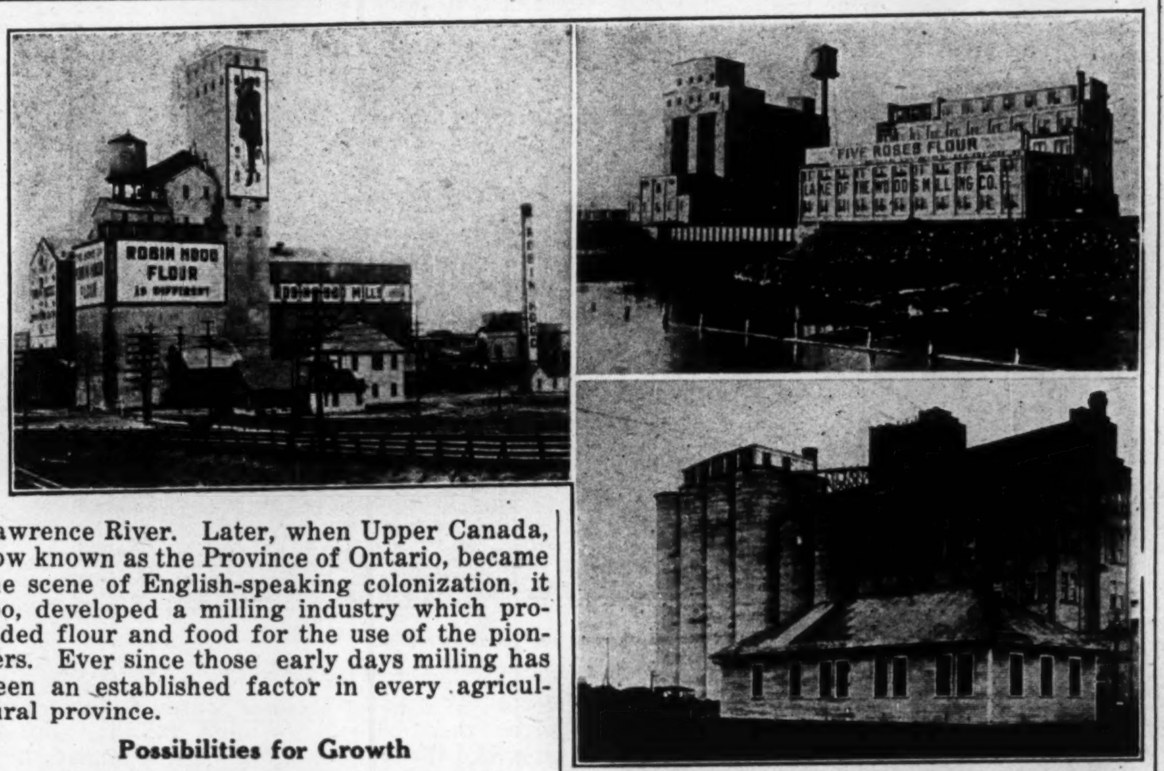
The milling industry in Canada will grow, but the basis of its growth will be primarily the increase in Canadian consumption upon which stable rock a larger export business can be built as the economic conditions that intervene at present adjust themselves.

Among the basic productive industries of Canada one of the first in importance is that of flour milling. During the years preceding the war when Canada was coming into its place as one of the important wheat raising regions of the world, milling, too, was making steady, if less spectacular, progress. It was natural that a country raising wheat of the quality and quantity of that grown in Canada should develop a corresponding importance in the manufacture of flour; and, as a matter of fact, the mills of Canada have more than kept pace with the production of their raw material.

Beginning of Industry

Flour milling is the oldest of all Canadian manufacturing industries and almost the most important. Its history dates back to 1604, when operations began on a small scale in what is now the Province of Nova Scotia. The credit for establishing this and many other of the first Canadian flour mills belongs to the French. Development of hand and water-power mills proceeded steadily throughout all the period of the French regime in the settlements of the Atlantic seaboard and up the St. Lawrence River. Later, when Upper Canada, now known as the Province of Ontario, became the scene of English-speaking colonization, it too, developed a milling industry which provided flour and food for the use of the pioneers. Ever since those early days milling has been an established factor in every agricultural province.

Flour Mills Built on Marquis Wheat



Three of Canada's many flour mills are here shown. Upper left is the International Milling Company's plant at Moose Jaw; upper right is the Keewatin mill of Lake of the Woods Milling Co.; lower picture is the Quaker Oats Co. mill at Saskatoon.

Possibilities for Growth

The total Canadian wheat production in 1925 was approximately equivalent to 92,000,000 barrels of flour as compared with total flour production in 1925 of 17,769,366 barrels. While, of course, a large amount of the annual wheat production will always be used for seed and export purposes, the margin of wheat available for manufacture into flour over and above the amount used in 1925 for flour production, furnishes convincing proof of the possible development of the Canadian milling industry during the next few years—a development practically unlimited so far as quantity and quality of raw materials and economic facilities of manufacture are concerned.

In the meantime, it may be noted that the flour mills of Canada have already attained a capacity far beyond the needs of their domestic markets. As a matter of fact, they are capable of providing flour enough per year to take care of the requirements of over thirty millions of people, while the population of the Canadian home market is not more than nine million.

Canadian exports of flour have shown a steady and consistent increase, with minor fluctuations, since the inception of the industry, with the result that to-day Canada is the largest per capita exporter of flour in the world.

As may be expected, no matter in how favorable a position the industry may be situated, so long as our Canadian product is in competition with exportable surpluses from the United States, Australia and other wheat-producing countries, fluctuations in demand and price must necessarily occur. Tariff regulations and commercial treaties also give one producing country a temporary advantage over another. A combination of these conditions has caused a slight falling off in Canadian exports in recent years. But considering the quality of the Canadian product, which is admittedly superior to any other, the quantity of grain available and the proximity of Canada to present large markets in Europe and potential markets in the Orient, Canadian milling companies have nothing permanent to fear from foreign competition.

$60,000,000 is Invested

Flour milling represents a $60,000,000 investment in Canada. There are 1,310 flour mills in Canada with $60,104,258 invested. These mills employ over 6,000 persons and in 1925 produced products to the value of $187,944,731.

The location of the flour and grist mills of Canada in 1925 was as follows, Ontario and Quebec being the principal centres:

	Mills	Capital
Prince Edward Island	24	111,792
Nova Scotia	28	354,206
New Brunswick	35	309,847
Quebec	392	11,260,728
Ontario	664	29,012,816
Manitoba	36	6,530,119
Saskatchewan	61	4,210,715
Alberta	65	6,929,787
British Columbia	5	1,383,648

Canadian Milling Centres

The chief milling centres of Canada, with their daily capacity in barrels are as follows:

	bbls. a day
Montreal	21,000
Keewatin-Kenora	14,800
Port Colborne	14,000
Winnipeg-St. Boniface	8,000
Medicine Hat	6,000
Peterborough	5,500
Moose Jaw	3,800
Fort William	3,000

The following cities are also milling centres of some importance: Calgary, Goderich, Toronto, Saskatoon, Portage la Prairie, Brantford, Midland and London.

Wheat Flour Chief Product

Wheat flour is the principal product in 1925, totalling 17,769,366 barrels, valued at $131,870,175. Oatmeal to the value of $5,574,200; bran, shorts and middlings to a value of $16,518,717, and chopped feed to a value of $27,854,365 were other chief products.

Of the wheat flour produced in 1925, exports amounted to 10,318,840 barrels, valued at $74,319,169.

Interesting figures have been compiled in Canadian consumption of milled products indicating the average Canadian consumes just under a barrel of flour in one year. Average per capita consumption of flour in Canada in 1925 was as follows:

Wheat flour	.81	barrel
Oatmeal	8.70	lbs.
Cornmeal	3.63	"
Rye flour	.315	"
Buckwheat flour	.40	"
Barley	.39	"

It is probable that actual consumption was higher than these figures as the carry-over of 1924 grindings in 1925 was undoubtedly higher than the carry-over of 1925 products into 1926.

The following figures show how the estimate of flour consumption was reached:

	Barrels
Production	17,769,366
Imports	51,697
Exports	10,318,840
Available for consumption	7,502,223
Population	9,268,170
Average	.81

Flour Mills Produce 18,000,000 Barrels

Production records of Canadian flour mills since 1917 have been as follows:

	Wheat milled	Flour produced	
	bushels	barrels	value
1917	84,478,264	17,687,338	$170,381,834
1918	78,486,826	17,880,912	189,096,238
1919	78,591,648	17,842,833	185,982,307
1920	61,116,380	13,127,320	153,117,662
1921	70,005,373	15,321,759	136,257,285
1922	81,413,649	18,055,010	112,445,551
1923	85,699,645	19,075,814	102,571,212
1924	95,750,772	21,076,733	121,786,505
1925	80,901,984	17,769,366	131,870,175
1926	85,316,163	18,965,368	....

1927 will total about 17,000,000 barrels.

Canada Concedes Flour Sale Crown to American Mills

While Canada is the leading exporter of wheat, it shares with the United States the honor of being the world's largest exporter of wheat flour.

For the twelve months to July 31, 1927, the leading flour exporting country was the United States, although in the previous year Canada had led. In 1925-26 the two countries ranked as follows:

	Barrels
Canada	10,897,000
United States	9,570,000

For the year to July 31, 1927, flour exports from different countries were as follows:

	Barrels
United States	13,463,000
Canada	9,237,000
Australia	5,316,000
Argentina	1,729,000
Hungary	1,587,000

Canadian Wheat Milled in U. S.

The United States imports practically no Canadian wheat, except that which it imports in bond, to be milled in American mills and re-exported to other countries in the form of flour. American flour mills need the harder Canadian wheat to mix with their own, enabling them to produce the quality of flour that other countries will buy. This flour goes into export markets in competition with Canadian flour. Ironical is this position; Canada faces a 42 cents a bushel tariff on its wheat going into the United States and is only spared this tariff on such of its wheat as is to be milled by American flour companies and sold in competition with Canadian flour.

In the year from August 1, 1926, to July 31, 1927, the United States imported in bond 13,159,000 bushels of Canadian wheat. All of this was exported again as flour. In the previour year, 15,000,000 bushels of Canadian wheat was imported. This is the equivalent of 3,000,000 barrels of flour yearly. Thus, of all the Canadian wheat that leaves this continent in the form of flour, the United States mills export about a quarter.

It has been suggested that the remedy for this situation is to impose a Canadian export tax on Canadian wheat shipped in bond to the United States. This would, it is claimed, have the effect of forcing the milling of this wheat in Canada.

While Great Britain is the world's largest importer of wheat and has a highly developed milling industry, it also buys much flour from Canada and other nations. The leading flour markets of the world and imports in that year to July 31, 1927, are as follows:

	Barrels
Great Britain	6,398,000
Egypt	1,894,000
Irish Free State	1,878,000
Netherlands	1,719,000
Czechoslovakia	1,707,000
Austria	1,589,000
Finland	1,109,000
Germany	972,000
Denmark	710,000

The
Canadian Elevator Co.
Limited

Grain Commission Merchants

982 Grain Exchange

Eastern Orders Solicited
We will execute your orders for CASH GRAIN on basis of in store, and we will put your grain afloat or on track for you.

Future Orders
WILL RECEIVE PROMPT ATTENTION

References—Any Bank or Commercial Agency

Purely Service Body is Northwest Grain Dealers' Association

Was Incorporated by Act of Manitoba Legislature—Buys Supplies for Members, Watches Legislation and Issues Crop Estimates

Those who operate grain elevators in Western Canada have their trade association. It is an active body that does much good work for the grain producers and the grain trade of Canada. This body, the Northwest Grain Dealers' Association, has been in existence twenty-three years.

The association has the unique distinction of having been incorporated by an act of the legislative assembly of Manitoba.

Restricted to Grain Dealers

The association is a corporation, and qualifications necessary to become a shareholder are that he be a reputable person, firm or corporation owning or operating one or more grain elevators, or engaged in the grain elevator business.

While the powers of the company are very broad, the company's activities are restricted to the following:

It takes up and advises its members on all matters affecting the operation of country elevators.

It buys for and sells to its members certain supplies.

It issues a crop estimate.

It takes up and advises its members on all matters affecting the operation of country elevators. The association watches closely all proposed legislation, federal and provincial, which in any way tends to increase the cost of handling grain at country elevators. In the matter of assessment and taxation the association has been able to save its members very large sums of money, which savings are reflected in the low cost of operation of these elevators, thus benefiting the farmers. The association has also taken a very active part in all matters pertaining to the transportation of grain from country points, and suggestions made from time to time for facilitating the movement of grain have been acted upon. Through its efforts, special rates were granted by the railway companies on seed and feed grain, and only recently a considerable reduction in the cost of flax liners used in the loading of cars of flax was obtained from the railway companies. These, and many other matters pertaining to the handling of grain, are dealt with by the association; the main object in view always being the lowering of operating costs and resultant benefit to the farmers.

It is a well-known fact that the system of grading and handling of grain in Canada is the best and cheapest in the world, and those interests who have more recently entered the grain business are to-day enjoying the benefits of a highly-efficient system, in the building up of which they have played no part. A great deal of credit for these results is due to the pioneers in the grain business and to the activities of the members of the Northwest Grain Dealers' Association, who have, during the past twenty-three years, given much study and hard work to the problems of grain marketing.

It buys for and sells to its members certain supplies. There are supplies which are needed by operators of elevators, such as gasoline, kerosene, lubricating oil, engine repairs, grain tables, drums, batteries, fire extinguishers, etc. The association buys such supplies and sells them to its members.

The object of the association is to put at the service of its members those articles which are necessary to the operation of country elevators at the lowest cost, and of the best quality. The main idea is the reduction of the cost of operating elevators; that is, the reduction of the cost of handling grain at country points. It does not aim at making a profit out of these transactions.

It issues a crop estimate. Very many persons and agencies in Canada, as well as nearly all the governments in Canada, indulge in estimating the western grain crops every year. The Northwest Grain Dealers' Association holds a somewhat unique place amid all these crop estimating agencies. To begin with, it issues no estimate on any crop until that crop has been harvested and until deliveries begin to be made to and from the country elevator. Its first estimate of the crop is generally issued between the middle of September and the beginning of October, and its second estimate about the middle of December. In compiling its estimates, the association uses its own estimated acreage and has formed its own estimate of the yield per acre, thus reaching its result. It secures reports from country elevator operators, whose owners are members of the association. Its estimates, therefore, are based upon reports from country elevator operators in all parts of the three provinces after the grain has been cut and after the movement of the crop has been started, and these reports are very carefully studied and carefully checked. Compiled in this way, the Northwest Grain Dealers' Association's crop estimates are regarded by all the members of the Winnipeg Grain Exchange as of great value. The crop estimates of the Northwest Grain Dealers' Association are the only ones issued by any section of the grain trade at Winnipeg that have any official standing.

Highly Competitive; Thoroughly Regulated

Two things stand out in any examination of the grain trade of Western Canada.

In the first place it is the most highly competitive business in Canada. Dozens of private firms are after the farmer's wheat and bid against each other to give him the highest price. There is competition all down the line between country elevators, between terminal elevators, between lake boats and railway companies, between exporters, between insurance companies, between ocean boats, between exporters. The margin of profit to each is infinitesimal on any single bushel. The different constituent parts of the grain trade and its allied interests make money by handling an enormous volume at this small margin.

In the second place there is no business more highly regulated. The Canada Grain Act is a book of over 160 pages. It prescribes the procedure in every step of grain handling and prescribes the maximum charges that may be made. If a public utility be known by the service it gives the public and the extent of the public regulation of its activities, the grain trade of Canada is undoubtedly the great public utility in the Dominion.

World Wheat Crop 3,086,000,000 Bus.

Northern hemisphere wheat crop, outside of Russia and China, totals 3,086,000,000 bushels, as compared with 2,903,000,000 bushels last year, an increase of 6.3 per cent., estimates from 35 countries show. While no definite estimates are available as to production in Russia and China, reports indicate the wheat crops of Manchuria and certain other parts of China are better than last year, whereas the Russian crop probably is somewhat smaller than last year.

As to the southern hemisphere, reports indicate the Australian crop may be 45,000,000 bushels short of last year. The first forecast is 115,000,000, compared with 161,000,000 bushels last year. The wheat area of Argentina has been increased and reports indicate conditions have been fairly satisfactory for development of the crop.

An increase of 6,000,000 bushels in the October estimate of the United States crop raised the Northern American total to 84,000,000 bushels above last year. Quality of the Canadian crop, as reported by Dominion Bureau of Statistics, is below the average at the end of September, but slightly better than last year.

Reports indicate the European crop outside of Russia is about 75,000,000 bushels greater than last year. Estimates received total 1,270,000,000 bushels, as compared with 1,196,000,000 bushels last year. Indicated increase in these countries, however, may be offset in part by reduced exports from Russia and by low quality of grain in some countries. While both German and French estimates of production are above last year's, it is believed larger proportions of the grain in these countries are of unmerchantable quality.

Some Trading Terms

Spot Price—The price quoted for grain in store at a primary market and ready for immediate delivery to purchaser.

Spread—A term used to indicate the difference between prices that are being compared.

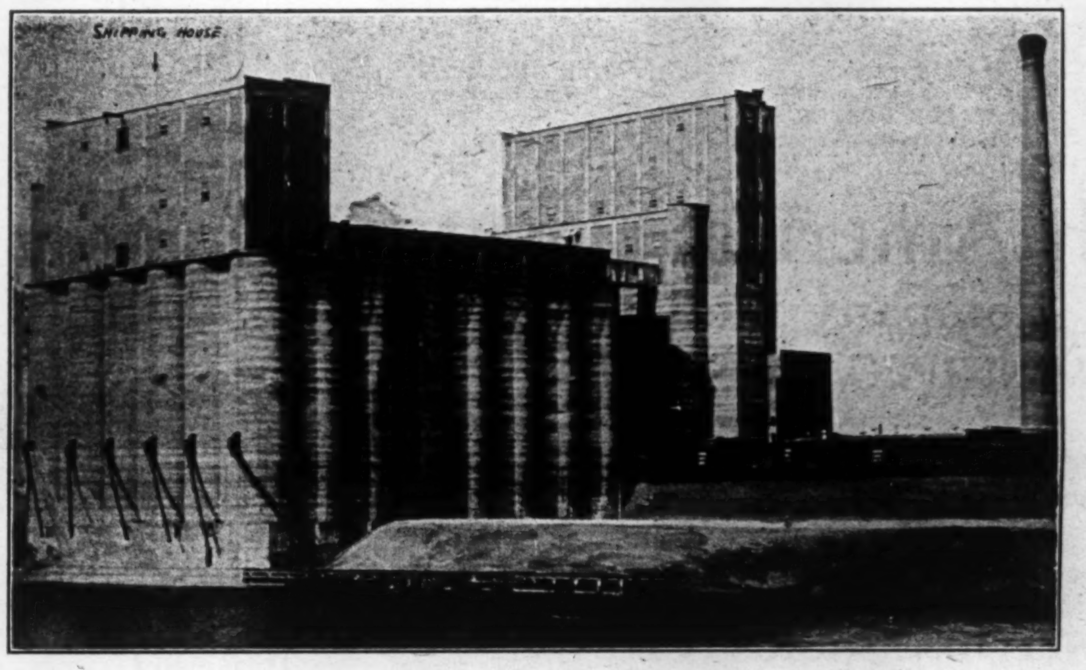
World Shipments—Aggregate weekly shipments of grain from exporting countries. As regards wheat, the figures include also flour shipments reduced to their equivalent in bushels of wheat.

Visible Supply—In Canada: the total stocks of grain in store in country elevators, interior and lake terminals, eastern lake ports and Atlantic seaboard. In the United States: country elevator stocks are not included.

World Visible—Is the visible in Canada and the United States, stocks at ports in the United Kingdom, Argentine and Australia, and grain "on passage."

Cables—Dispatches from the Liverpool and Buenos Aires markets giving quotations are known as "cables."

Contract Grades—Grades of grain deliverable on futures contracts, as fixed by regulations of our Winnipeg futures contract.



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ELEVATOR *at* FORT WILLIAM, ONT.

HEAD OFFICE
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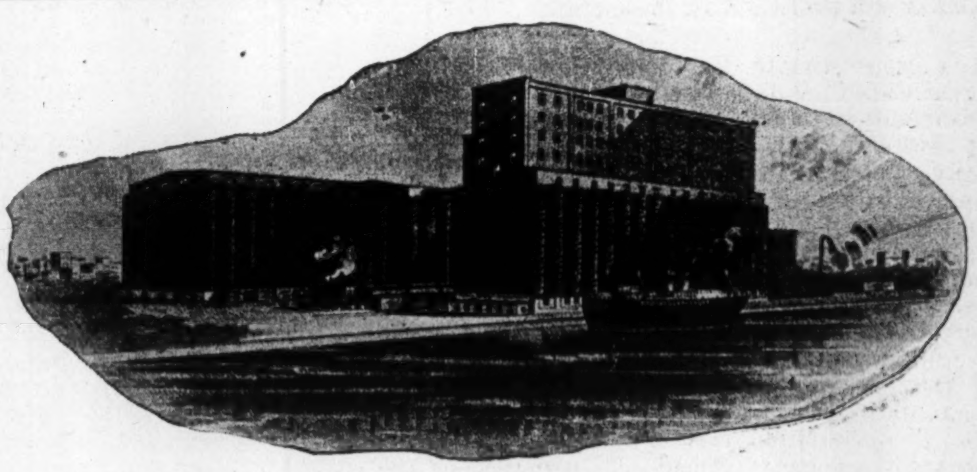
WINNIPEG, MANITOBA



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OPERATED BY ELECTRICITY.
CAPACITY 5,750,000 BUSHELS.

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R. T. EVANS, Asst. General Manager.
C. F. DEAVER, Treasurer.
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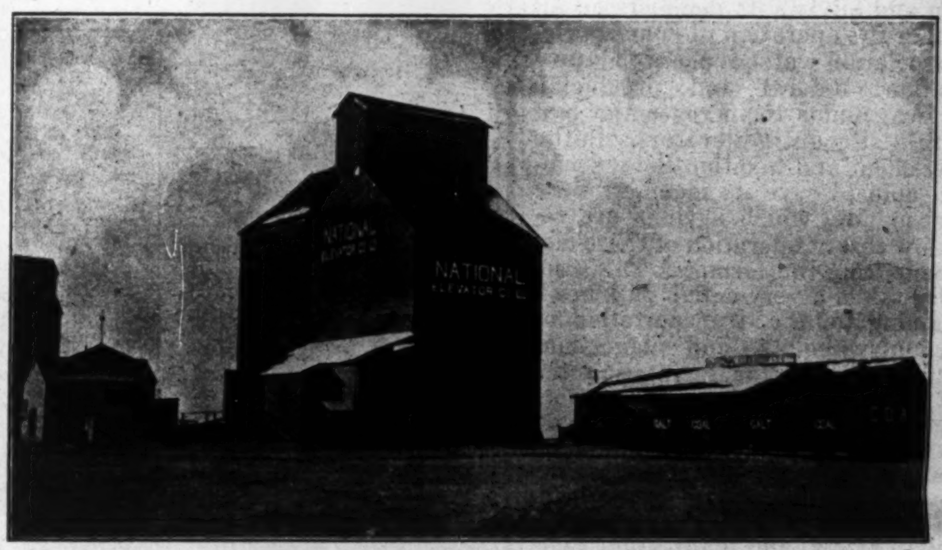

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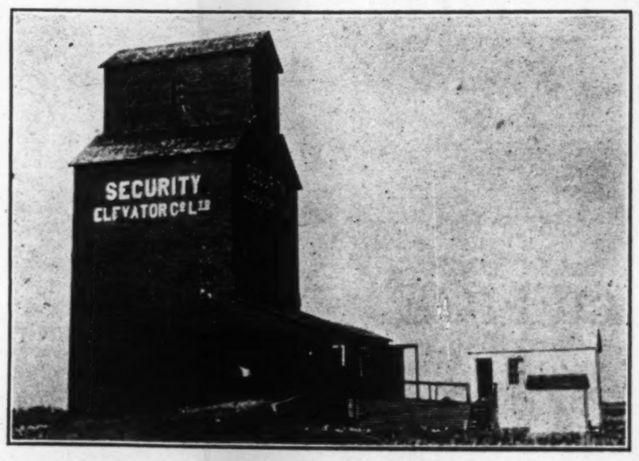

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Export Business in All Grains is Important to Canada

How the Machinery of Grain Exporting Functions, Told in Interesting Fashion—Canada Exports About Three Times as Much as It Consumes

By W. SANFORD EVANS

Some countries produce more grain than they can use at home and other countries produce less than they need. One of the most interesting and important departments of the grain trading system is that which arranges the transfer of supplies from the one class of countries to the other. The total world's crop of wheat varies probably between 4,400 million bushels and 4,700 million bushels per year, and on the average about five bushels out of every six bushels of this total is consumed in the countries where grown, while one bushel, or one-sixth of the whole, is transferred to some other country. The volume dealt with in domestic trade is thus, in the aggregate for the world, many times as great as the volume that enters into international trade.

Eighty Countries Export Wheat

The principal countries producing surpluses of wheat are—Canada, the United States, Argentina, Australia, Russia, India, Roumania, Bulgaria, Hungary, Algiers, Morocco, Tunis and Chile. These countries provide every year something over 90 per cent. of the world's net exports of wheat and flour. Nearly all other countries are either regular or occasional importers. International trade in wheaten breadstuffs is not, however, so simple as a transfer from a dozen countries to all other countries. Many countries both export and import, shipping out at one season and bringing in at another, selling abroad part of their domestic product and substituting for it foreign wheat, or reselling foreign wheat or flour, or foreign wheat they have converted into flour. Altogether, some exports of wheat or flour are reported every year in the customs returns of about 80 different countries.

The problem for the world's grain trade is to make this highly complicated system of transfers in such a way that no community able to pay is ever without supplies, and no country is ever left long with too much. Every community, moreover, can have delivered to it any kind of wheat or flour it chooses, and all prices everywhere are maintained at a substantial parity.

Exports Larger Than Consumption

While the world's export trade in wheat and flour is not large as compared with its domestic trade, there are individual countries of which the opposite is true. Canada, Argentina and, generally, Australia export more than they consume at home. Canada's exportable surplus in a good year may be at least three times as great as its domestic requirements, and Argentina and Australia occasionally export more than twice the quantity they retain at home. Export business is, therefore, vitally important to these countries. In order to clear its surplus, Canada in some years must sell abroad one bushel of wheat or flour for every one and a half bushels sold by all its competitors put together.

The system under which this export business is done is perhaps unequalled in completeness and efficiency by any other commodity marketing system. Fundamental, of course, are the open marketplaces, or grain exchanges, where buyers and sellers can meet to settle the price basis by direct competitive bids and offers. In the principal grain exchanges, two markets are maintained, the cash market and the futures market. In the former, actual grain in a certain defined position is dealt in for immediate delivery and payment. The futures market deals in contracts for the future delivery of grain in certain specified months. Prices in these two markets react on each other and tend to move up and down together. It is because of this fact that transactions in the futures market can be made use of to insure, or "hedge," transactions in actual grain. Prices in the futures markets in Liverpool, Winnipeg, Chicago and Buenos Aires, are never allowed to get seriously out of line with each other, and the world basis of price at any time is indicated by these prices.

Grain Exchange Quotations Rule

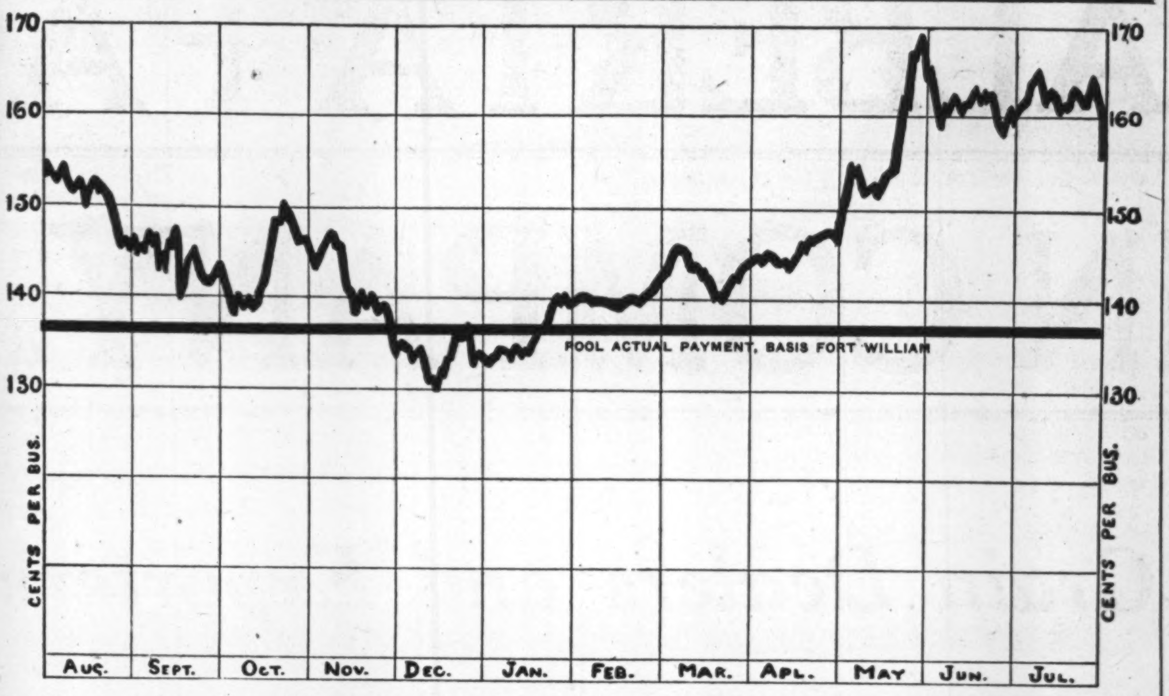
Now, the importers in any deficiency country thus know what the world level of price is at all times and can make their commitments to consumers as they find opportunity. Exporters in surplus countries are in the same position. Either one or both can "hedge" their commitments and render themselves safe within narrow margins. Export business is, therefore, done from day to day on the basis of the grain exchange quotations of the day, even although the transfer of the grain may not take place for many weeks.

The grain exporter is the merchant who buys in a primary market and sells to an importer in another country. In Canada the great primary market is at Fort William-Port Arthur, and the function of the grain exporter is exercised between that point, or some other interior position, and the North American seaboard or the landing port in the importing country. One individual or company may, of course, perform more than one function in grain trading. A European importer, for example, might buy cash wheat on the Winnipeg market and through shipping agents arrange for its transportation to him in Europe, and it is always possible for him to do this if he finds he cannot deal on equally satisfactory terms with exporters, but the functions of primary merchant, exporter and importer are clearly distinguishable and are ordinarily distinct in practice.

The exporter may sell to the importer f.o.b. a North American port, afloat on the ocean, or c.i.f. a port in the country of ultimate destination. The larger European importers quite

(Continued on page 63)

Wheat Pool Payment to Farmers Fails to Meet Average Price Level



Comparative financial results to farmers from selling their grain through the wheat pools and through the long-established grain-marketing machinery, are a matter of yearly controversy. No mutually satisfactory statistical test has yet been devised.

The grain trade points out that the average prices of grain on the Winnipeg Grain Exchange are well above the pool's payments to the farmers. The difference is brought out in the above chart. The curving line shows the average of the daily closing prices of No. 1 Northern Wheat on the Winnipeg Grain Exchange. Basis is grain in store at Fort William, which is the basis also of the pool payment. The straight line is the pool's actual payment. To arrive at the pool's actual payment, sums totaling 4.86 cents per bushel have been deducted, of which 3.42 cents are for reserves and elevator investments. If we consider these investments by the farmer and add them to the pool's actual payment of $1.3714, we still find the pool price below the average price. The pool replies that an unweighted average, which takes no account of the amount sold at different price levels, is unfair. In this connection their promise to substitute "orderly marketing" for a system that sent much wheat forward in the fall might be recalled. The pools have not found it possible to keep their promise, though if it had been feasible they might have done better for their farmer-members.

The pool price basis is understood to include export profits, elevator profits, interest on money left in by farmers, etc.

The Saskatchewan pool basis of payment was as follows for the 1926 crop:

Nominal basis		$ 1.42
(No. 1° in store Fort William)		
Less deductions (Sask. statement)		
	cents	
Carrying charges	.99	
Operating costs	.45	
Elevator deductions ...	2.00	
Commercial reserve ...	1.42	
	4.86	.0486
Actual distribution (Ft. Wm. basis)		$1.3714

In any case, the farmer does not receive the Fort William price, but must pay freight from his farm to that point.

Fervor Aplenty, Without Fever, Marks Day's Job

By GORDON RUTLEDGE

The midnight oil or electricity is very much in vogue around the grain exchange just now; and will be until Christmas; another evidence of the intensity with which highly trained specialists and their staffs work to the end of getting the huge grain crop of Western Canada from the fields of Saskatchewan, Alberta, Manitoba, to the seaboard.

There is an immediacy to the grain trade which is startling. The long hours worked this fall season is but one sign. Those hours are necessary that the tremendous rush of grain may be handled smoothly, that nothing from to-day is carried over to clog the progress of to-morrow. All year the same spirit seems to actuate leaders and juniors alike. I never saw the old slogan "Do it now" in any office visited; but the sign isn't necessary. The chief men, seated usually two in a big office, are doing everything now—not carrying over anything. They pay no attention to red tape or to precedent.

Going to the trading floor a man whose time is worth more than his dignity takes the stairs unthinkingly if the elevator does not happen to be handy. While he hurries he doesn't fluster. There is fervor but no fever around the grain exchange.

In the outer offices of the big companies things move with amazing smoothness, the utmost speed. To one unacquainted with the work the huge mail from the country elevators appears to present a serious problem. And it is a serious problem. Each envelope tells what was bought at one country elevator. Each country elevator bought from the farmer on one—or all, of four bases. Records of each transaction has to be kept and all must be completed each night.

Those office managers know their jobs.

A cynic said to me:

"They haven't had any efficiency experts here to bedevil things."

Perhaps not. There certainly are not in evidence any elaborate charts of office procedure. But the work gets through; and I doubt if any wise office expert from another industry would try to suggest many improvements in the machinery. These grain firms have developed through the years. Rather, I think, he would find himself considering "How can I get that despatch—that speed, that exactness, that completeness into my business?"

Alberta Pacific Grain Company, Limited 6% First Mortgage Bonds, due 1946 7% Cumulative Preferred Shares.

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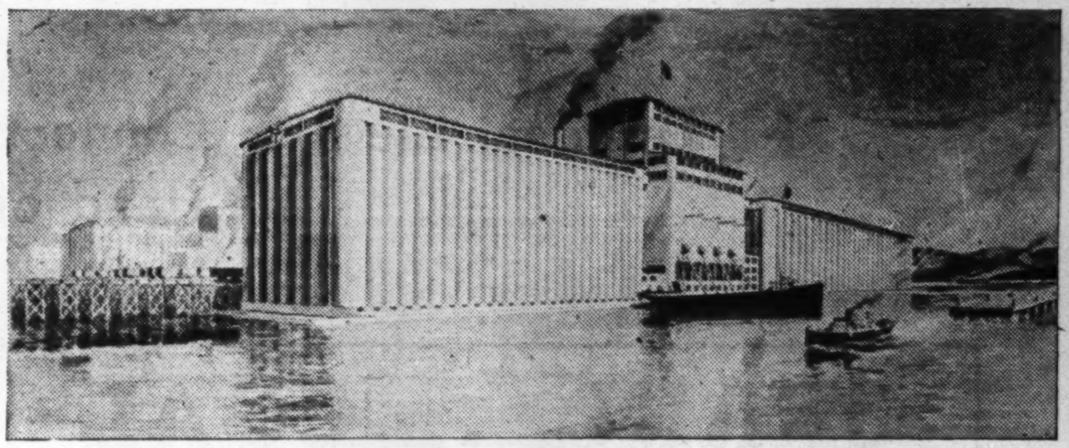

Newly built United Grain Growers' Elevator, Port Arthur, Ont. C. D. Howe Co., Engineers; Carter, Halls, Aldinger Co., Contractors.

Concrete Assures Permanent Fire-Safe Grain Elevators

THE development of Canada's grain-handling equipment continues to keep pace with her growth as a producer. Each year sees new and enormous grain elevators constructed at strategic points, equipped with every device that makes for economy and efficiency, and built for permanence and fire-safety with concrete. This modern material is particularly adapted to grain elevator construction work, permitting speedy operations and assuring against delay through shortage of materials.

We maintain a Service Department to co-operate with you in all lines of work for which concrete is adapted. Our library is comprehensive and is at your disposal at all times, without charge. Write us.

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A Complete Grain Handling and Marketing Service linked with the Country Elevator at Your Station.

For Service--Market Your Grain Through The "AP"

JAMES STEWART
President

F. W. RIDDELL
Vice-Pres. and Managing Director

Set New Record in Grain Loading at Eastern Port

Best Previous Marks in Grain Shipping Beaten by Montreal's Record in Current Year—Dominant Position in Grain Handling Based Upon Fine Position of Port

Montreal, the world's greatest grain port, has established a new record for all time in the handling of grain. With the closing of the navigation season still some several weeks away, total grain deliveries to the Port of Montreal on November 17 reached the figure of 181,956,405 bushels, as compared to the best previous mark made in 1925 of 166,000,000 bushels.

The reason for the dominant position Montreal commands in the grain export trade is at once apparent on examination of a map of the world. It will be noted that Montreal is situated 1,000 miles from the sea and at the head of deep-water navigation. That the port is connected to the great grain-growing sections of Western Canada and the United States by a water route—1,600 miles of inland lakes and canals—which permits of the grain being shipped from the great grain-gathering elevators at the head of the Great Lakes entirely by water direct to awaiting transatlantic grain carriers at the Port of Montreal. Then it will be noted that Montreal is closer to Liverpool than any port in the United States, and that the same is true of the European ports.

Leads Despite Short Season

Although the Port of Montreal is only open for seven months of the year, every effort has been made to assure it maintaining its position as the leading grain port of the world. A position it established in 1921 and has maintained ever since.

With this end in view, four great grain elevators have been built on the harbor front, and have been so designed that deliveries of grain may be made to them from lake steamers on the water front, and railway cars on the sidings simultaneously. At the same time the elevators can discharge cargoes into the ocean-going grain carriers at the docks.

The four grain elevators will, on the opening of the 1928 season, have a storage capacity of 15,162,000 bushels, the largest seaport grain elevator storage in the world.

World's Largest Seaport Elevator

Montreal serves not only as the outlet for a large proportion of the Canadian grown grain crop, but also for a very considerable quantity of that grown and exported from the United States. Thus, of the 136,000,000 bushels of grain stored in the elevators in 1926, 27 per cent. was United States grain.

Wheat Comes by Varied Routes

Wheat grown in the Prairie Provinces of Canada is transported to Montreal by various routes. It may come from shipping points on the prairies to the head of the Great Lakes, where it is stored in the elevators at Fort William or Port Arthur and then shipped by water on the lake steamers to Montreal. Again, it may be routed from the shipping points to the head of the Great Lakes, sent by water to Georgian Bay ports, Midland, Depot Harbor, Owen Sound, Port McNichol, Goderich, or Port Colborne, and thence by rail to Montreal. Again, it may be shipped entirely by rail from the shipping point to Montreal. The Western United States wheat is shipped by rail to Duluth and sent by water to Montreal.

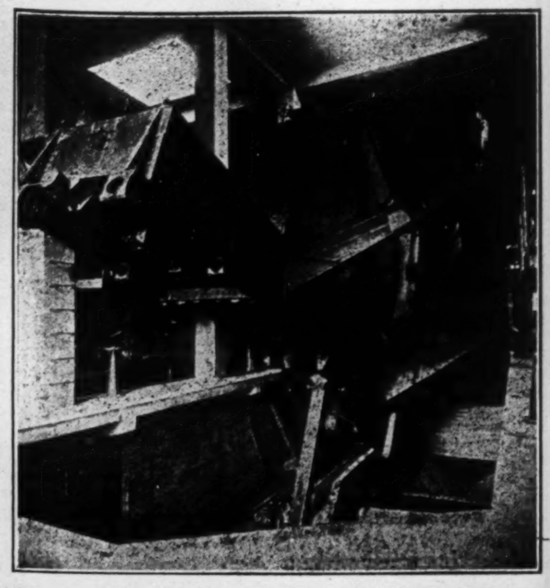
If it were forwarded by a fleet of lake vessels, 1,700 such ships would be required. To store this consignment at the port of shipment, grain elevator accommodation equivalent to ten times as great as that existing at Montreal would be necessary. To carry this grain overseas, 700 large ships would not suffice.

A certain proportion of Canadian grain will, of course, always be shipped through United States ports just as Montreal will receive a large proportion of the grain from the American west. The closing of ocean navigation via the St. Lawrence some several weeks earlier than that of the Great Lakes serves to divert the lake boats from Montreal to Buffalo, the principal United States grain-receiving depot, and the grain from the Buffalo elevators is shipped to the United States seaboard. Then, again, New York, Montreal's chief competitor for the Canadian grain trade, possesses the advantage of certain regular lines of steamers plying between New York and European ports which Montreal does not possess. Tramp steamers seeking charters can more conveniently be reached and, on account of Montreal's position, the insurance rates are higher on hulls and cargo out of Montreal than out of New York.

Two Counteracting Advantages

On the other hand, Montreal has two great advantages which counteract these advantages possessed by New York, and which for a portion of the shipping season, at least, put her in a more favorable position. Montreal is in the nearest direct line to Europe from the western grain fields, and, while water navigation continues, has the advantage of a cheaper and more direct mode of transportation. In addition, Montreal possesses superior facilities for handling grain. At Montreal the grain can be discharged into grain elevators and spouted direct from them into the holds of the ocean grain carriers, while in New York the grain has to be loaded by lighters.

Lifts Freight Car Like Toy



This marvellous apparatus, installed in modern elevators at the head of the lakes, lifts an entire car of grain and literally pours its contents into the bins.

Grain Men Are Always Learning; No Royal Road

By GORDON RUTLEDGE

The grain trade, perhaps more than other businesses, develops specialists. Dr. Mayo, the famous surgeon, has defined a specialist as a man who knows more and more about less and less. It is a good definition, as might be expected coming from Dr. Mayo, but it does not cover these specialists of the grain trade, for they have to be general practitioners in the sense of requiring to know more and more about more and more phases of the trade.

Here is an inquiry into the best way of drying wet grain; the elevator man is interested in that; and so is the man whose work keeps him steadily on the trading floor. Improvements in drying have an effect in prices and he must try to know just what is being accomplished.

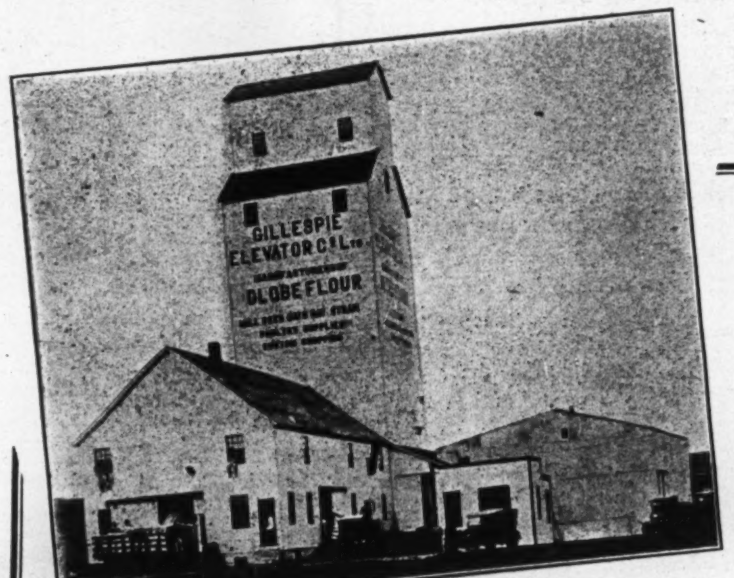
There is rather a unique system of gathering information on such subjects which has developed in the Winnipeg Grain Exchange. It centres in the smoking room just at the rear of the huge trading floor. To this room the grain men go when they can snatch a minute. The talk is of grain, of the weather, of the pool, of shipping. There, in a pleasant and easy way, much information is secured.

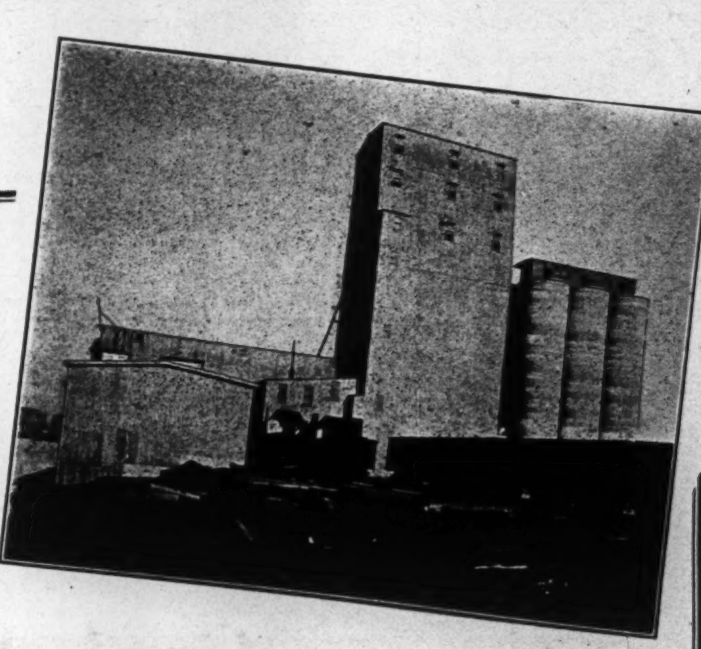
In ways like this these grain specialists keep up; but how do they get up? Whence come they?

While there is no royal road to the top in the grain trade there seem to be two fairly well established methods of getting this thorough knowledge and background that make for success in a big way. One is through the office, the other through the country elevators.

In 1909 there was an office boy in one of the large Winnipeg offices. He worked—everyone works, that much goes without saying—but this boy worked intelligently and bit by bit handled all the reports from the country elevators—learned the whole complicated system—understood it. He is now assistant general manager in a very large house.

More spectacular stories could be told, and equally true stories, but it is in ways such as that just told that the great majority of the specialists of the grain trade are developed.





GILLESPIE GRAIN COMPANY
LIMITED

GRAIN DEALERS

OFFICES
EDMONTON AND WINNIPEG

COUNTRY ELEVATORS
C.N.R., C.P.R., E.D. & B.C. RY.

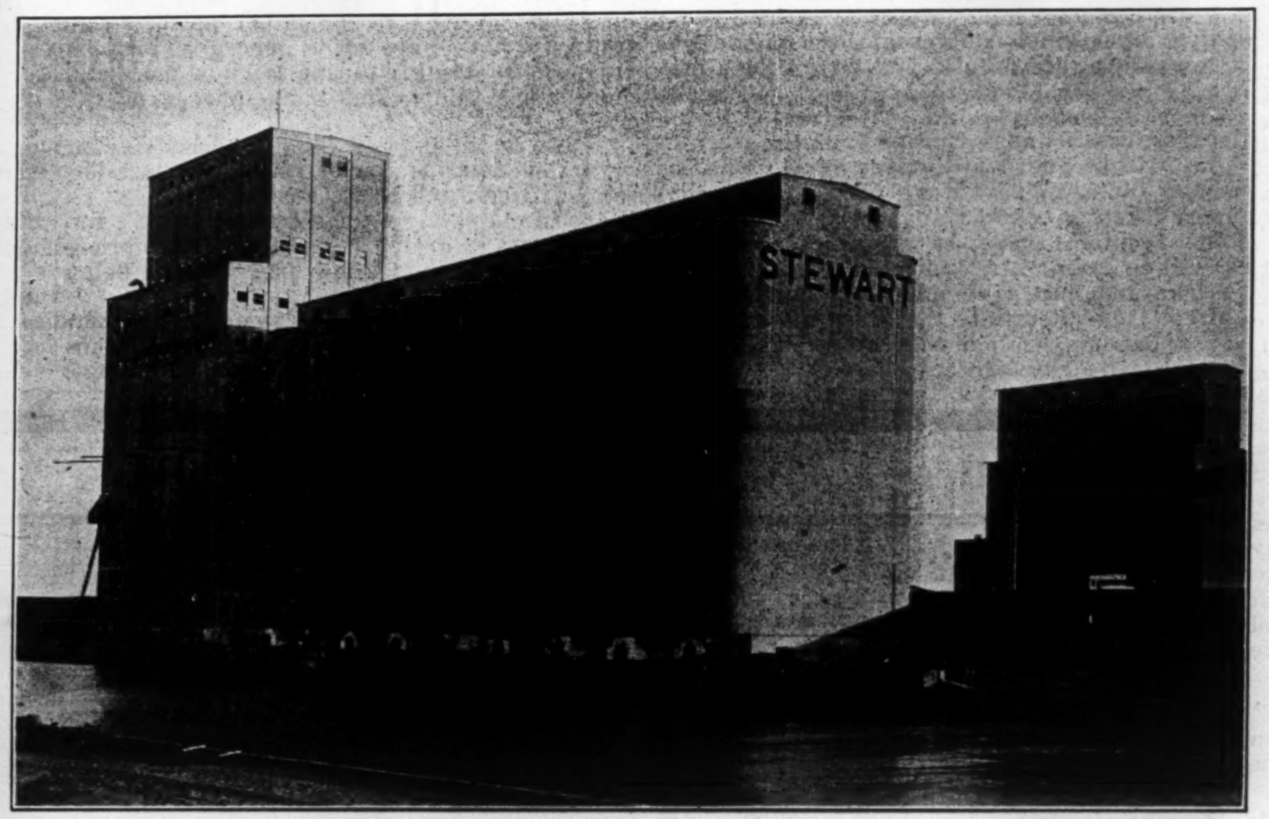
TERMINAL ELEVATORS
FORT WILLIAM, ONTARIO,
AND
PORT ARTHUR, ONTARIO

FLOUR MILLS
ST. ALBERT, ALTA.

288 Grain Exchange Annex
EDMONTON, ALTA.

TERMINAL ELEVATORS
AT PORT ARTHUR AND
FT. WILLIAM, ONTARIO
TOTAL CAPACITY 875,000 BUSHELS

60 Country Elevators



The million and a half bushel Elevator located at the lake head for the service of the Western grain shipper.

The Stewart Terminals, Limited owns and operates a modern Terminal Elevator at Port Arthur, Ontario. First unit as shown above was built in Nineteen Twenty Three to which has been added additional storage space of one million bringing the plant now to two million three hundred thousand. Fully Equipped with all machinery necessary for the rapid handling of grain in bulk.

Stewart Terminals
Limited

Head Office: **Winnipeg, Manitoba**

Quebec Expects to Handle Eleven Million Bushels

Rate Equalization Award, When It Gets Working, Should Tend to Send More Grain Through That Port—Facilities Are Being Extended

By RIELLE THOMSON

The flow of grain through the port of Quebec is steadily increasing and will increase more in the future. In 1925, the port handled 2,556,000 bushels. In 1926, 5,908,000 bushels were exported, and to date this year more than 6,000,000 bushels have flowed overseas through Quebec. By the close of navigation it is thought that total exports will have amounted to 9,000,000 bushels. In addition, the Harbor Commission of the city of Quebec will have delivered by the end of this year 2,500,000 bushels for domestic delivery.

In the middle of September last, the Railway Board equalized the eastbound freight rates so that the port of Quebec is now on a competitive basis with Montreal. While shipments have not flowed over the National Transcontinental to Quebec this year, yet the order of the board makes this possible, and ultimately it can be anticipated that grain will flow from Winnipeg direct to Quebec. The order of the board only became effective in September and thus has not been responsible for the increased exports through Quebec for it takes a longer period than a week or two to alter the flow of grain.

What Order Provides

The freight equalization order provides that shipments from points west of Toronto be shipped to Quebec at the same rate as to Montreal. This, coupled with the natural growth in the exports of the port, means that for the future a substantial growth both in exports through Quebec and in the port's facilities can be anticipated.

The port of Quebec has several natural advantages also which indicate that it will grow. As the railway rate is no higher to Quebec, steamers taking on grain at this port can avoid the extra day going up the river to Montreal. There are extra wages and extra pilotage and insurance while on the river. Moreover most of the tramps coming up the St. Lawrence for grain come empty so that if they can obtain a cargo at Quebec, the run to the St. Lawrence ports will be shortened.

Enlarge Grain Facilities

There is no doubt that the harbor authorities of Quebec shortly will have to increase the grain handling capacities of the port. This summer the largest grain shipment on the eastern seaboard was made at Quebec when a tramp was loaded with 462,000 bushels. The average tramp takes anywhere from 200,000 to 250,000 bushels. The grain handling facilities permitted the 462,000 bushel cargo to be loaded in thirty-eight hours. The biggest liner shipment made in Quebec this season was 64,000 bushels. Most liners have not available for grain as great a space as tramps. The terminal elevator at the port of Quebec can load 60,000 bushels an hour, but additional time is required for trimming and for bagging the grain on the top of the cargo to prevent it shifting during the voyage.

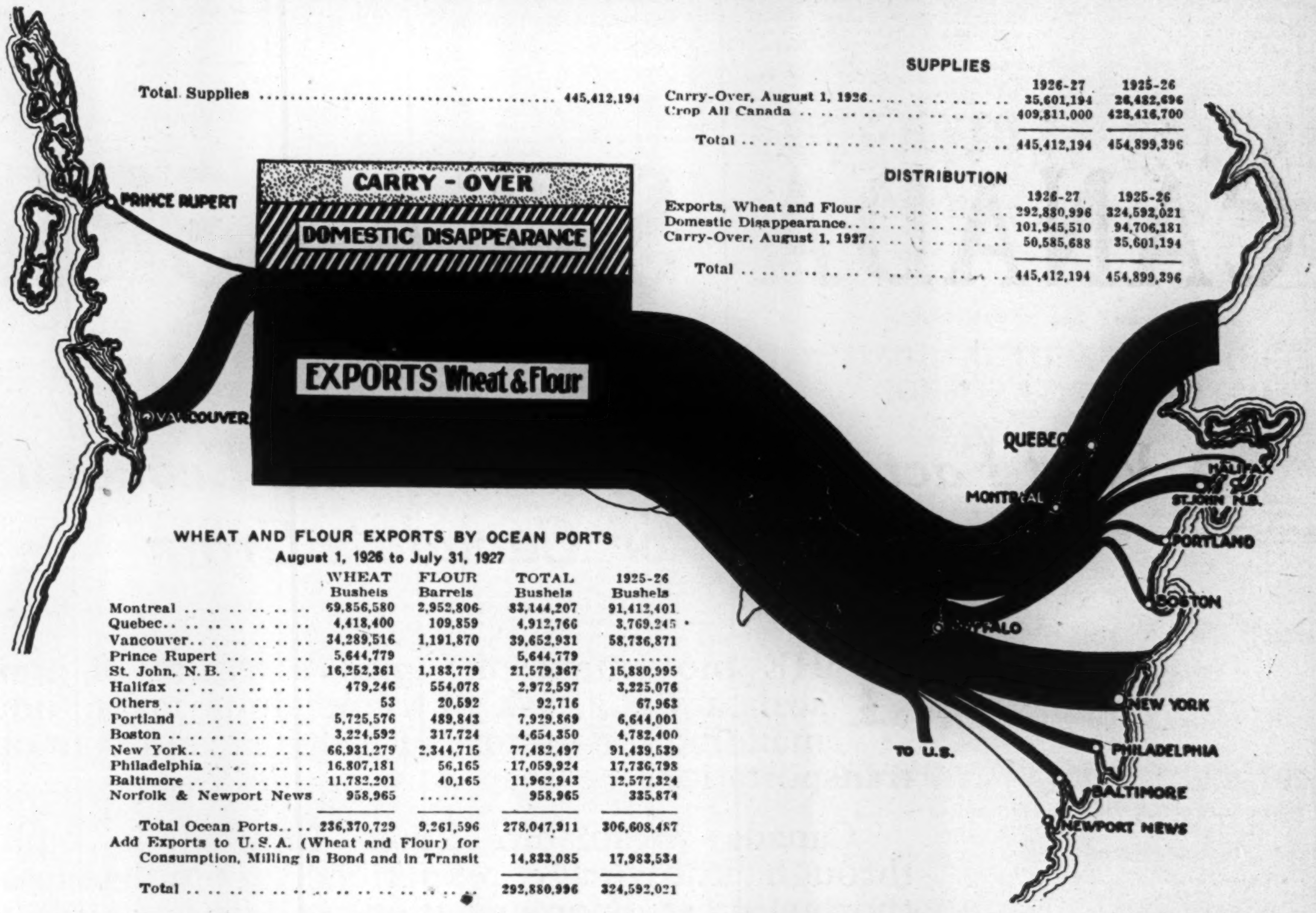
In addition to exporting grain, Quebec also handles grain imports. These consist of corn from the Argentine, which is used as seed. This can be unloaded at the rate of 20,000 bushels an hour. In all, Quebec will receive this year about 11,000,000 bushels, of which one-fifth will come by rail and the remainder will come by water. At least one hundred lake freighters will carry grain to Quebec this year. As far as the lake and inland water borne grain is concerned, the port is in a satisfactory position. The lake freighters can unload grain at Quebec and then obtain a return cargo of pulpwood further down the St. Lawrence.

Only a fractional portion of this year's increase in the grain traffic in Quebec is due to the rate equalization, for as yet there are many things which must be accomplished before the flow of a portion of the grain can be altered.

New Combine is Marvel

The combine-thresher pours the "finished product," grain, directly into the wagon for carriage to the railway station.

How Canada Wheat Moves Out to World's Markets



Total Supplies 445,412,194

SUPPLIES

	1926-27	1925-26
Carry-Over, August 1, 1926	35,601,194	26,482,696
Crop All Canada	409,811,000	428,416,700
Total	445,412,194	454,899,396

DISTRIBUTION

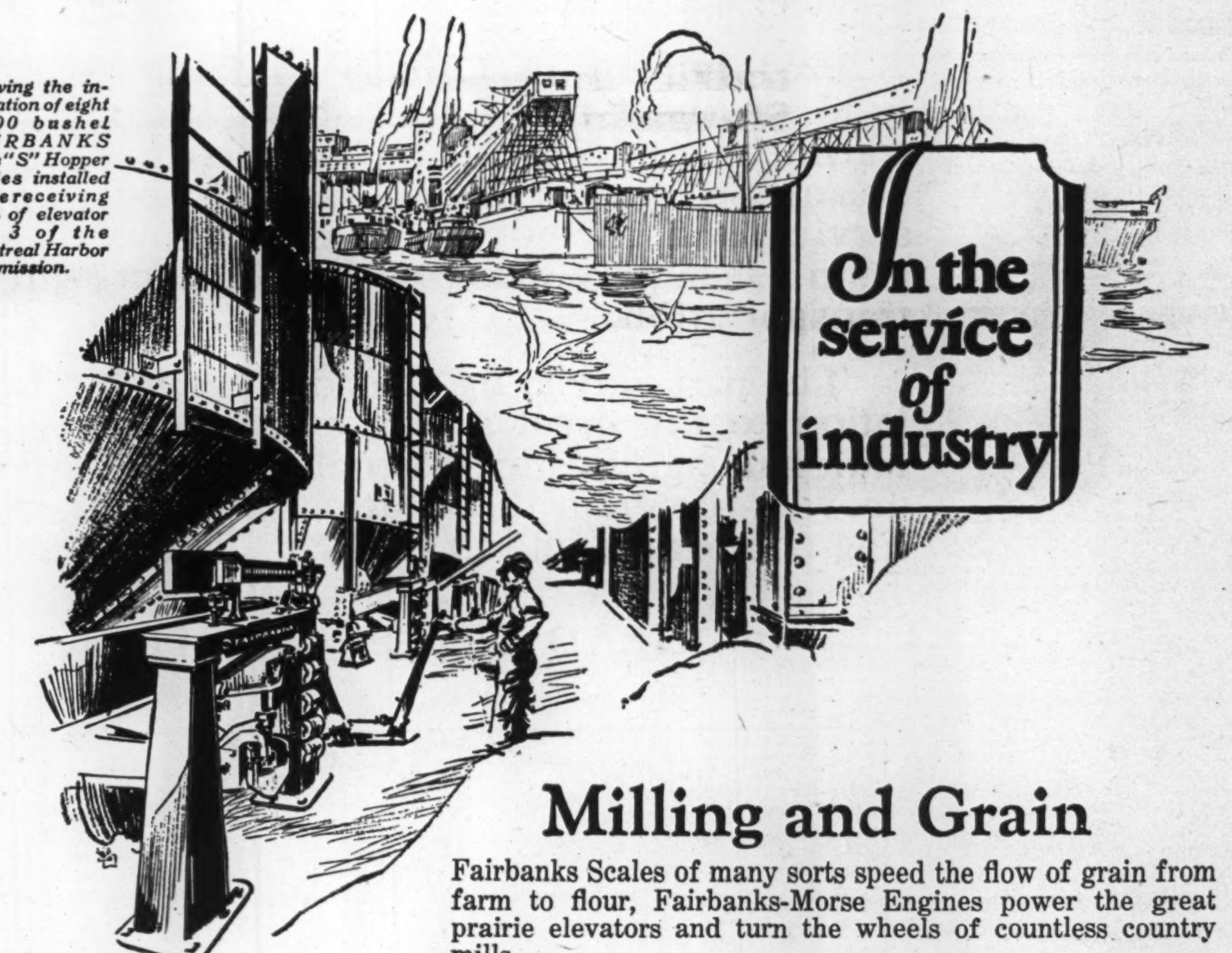
	1926-27	1925-26
Exports, Wheat and Flour	292,880,996	324,592,021
Domestic Disappearance	101,945,510	94,706,181
Carry-Over, August 1, 1927	50,585,688	35,601,194
Total	445,412,194	454,899,396

WHEAT AND FLOUR EXPORTS BY OCEAN PORTS

August 1, 1926 to July 31, 1927

	WHEAT Bushels	FLOUR Barrels	TOTAL Bushels	1925-26 Bushels
Montreal	69,856,580	2,952,806	83,144,207	91,412,401
Quebec	4,418,400	109,859	4,912,766	3,769,245
Vancouver	34,289,516	1,191,870	39,652,931	58,736,871
Prince Rupert	5,644,779	....	5,644,779	....
St. John, N.B.	16,252,361	1,183,779	21,579,367	15,880,995
Halifax	479,246	554,078	2,972,597	3,225,076
Others	53	20,592	92,716	67,963
Portland	5,725,576	489,843	7,929,869	6,644,001
Boston	3,224,592	317,724	4,654,350	4,782,400
New York	66,931,279	2,344,715	77,482,497	91,439,539
Philadelphia	16,807,181	56,165	17,059,924	17,736,798
Baltimore	11,782,201	40,165	11,962,943	12,577,324
Norfolk & Newport News	958,965	....	958,965	335,874
Total Ocean Ports	236,370,729	9,261,596	278,047,911	306,608,487
Add Exports to U. S. A. (Wheat and Flour) for Consumption, Milling in Bond and in Transit			14,833,085	17,983,534
Total			292,880,996	324,592,021

This chart shows the routes taken by Canadian wheat in getting to market. Last year's crop is here analyzed in detail by W. Sanford Evans Statistical Service, Winnipeg.


In the service of industry

Showing the installation of eight 2,500 bushel FAIRBANKS Type "S" Hopper Scales installed in the receiving floor of elevator No. 3 of the Montreal Harbor Commission.

Milling and Grain

Fairbanks Scales of many sorts speed the flow of grain from farm to flour, Fairbanks-Morse Engines power the great prairie elevators and turn the wheels of countless country mills.

The following are a few of the representative elevators that depend upon Fairbanks giant grain scales for quick and accurate weighing:—

Montreal Harbour Commission — No. 3 — Montreal
United Grain G. Co., Port Arthur
C. N. Ry. Elev. B., Port Arthur
Dominion Government Elev., Port Arthur
Stewart Grain Co., Fort William
N. Bawlf Grain Co., Fort William
Reliance Grain Co., Fort William
Western Terminal Elev., Fort William
C. P. R., St. John, N.B.
C. P. R., Midland
C. P. R., Pt. McNichol
Vancouver Harbour Commission Elev., Vancouver
Dominion Government Interior Terminals, Moose Jaw
Dominion Government Interior Terminals, Calgary
Stewart Grain Co., Vancouver

The record of Fairbanks Scales for fast, accurate and long-service weighing is exceptional.

Fairbanks Valves
Portable Platform Scales
Auto Bagging Scales
Warehouse Scales
Hopper Scales. Dump Scales
Wagon Scales. Auto Truck Scales. Railroad Track Scales. Grain Testers
Fairbanks-Morse
Oil Engines. Pumps
Motors. Generators
Pipe & Fittings
Steam Specialties
Transmission Equipment
Graton & Knight Leather Belting
Dick's Balata Belting
Solid Woven Cotton Belting
Elevator Buckets
Sprocket Chains
Trucks. Yale Hoists
Shop Supplies
Automotive Equipment

84-C

The CANADIAN
Fairbanks-Morse
COMPANY-Limited
St. John - Quebec - Montreal - Ottawa - Toronto - Windsor - Winnipeg - Regina - Calgary - Vancouver - Victoria
THE MAKERS OF FAIRBANKS SCALES AND VALVES

57

CANADA STEAMSHIP LINES
LIMITED

A Vital Factor in the Efficient and Economical Distribution of Canada's Grain

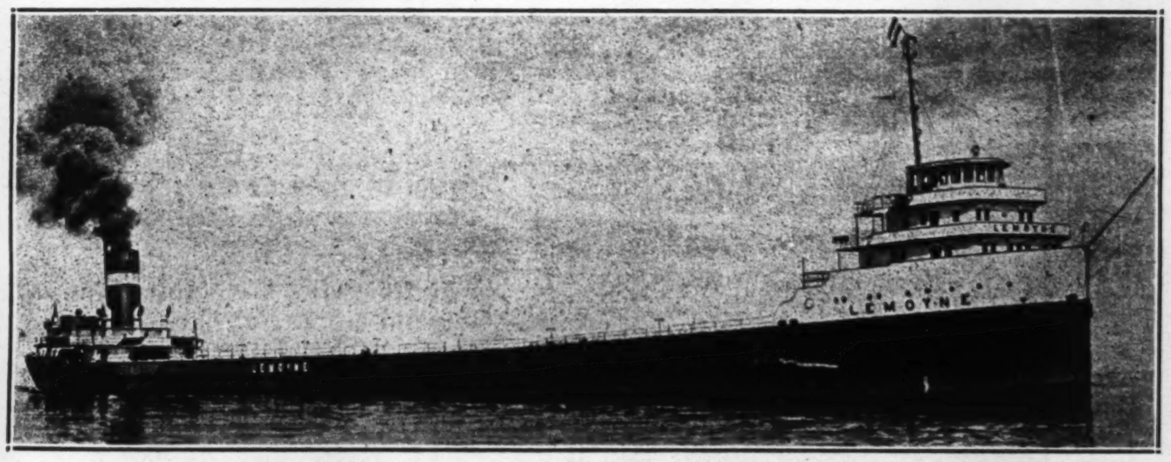
THE movement of Canada's wealth of grain to seaboard is a task of tremendous magnitude demanding the utmost in efficient and economical transportation.

Canada Steamship Lines Limited is equipped through knowledge, experience, completeness and thoroughness of organization, and carrying capacity to meet the demands of the grain interests of this country for capable and economical transportation service.

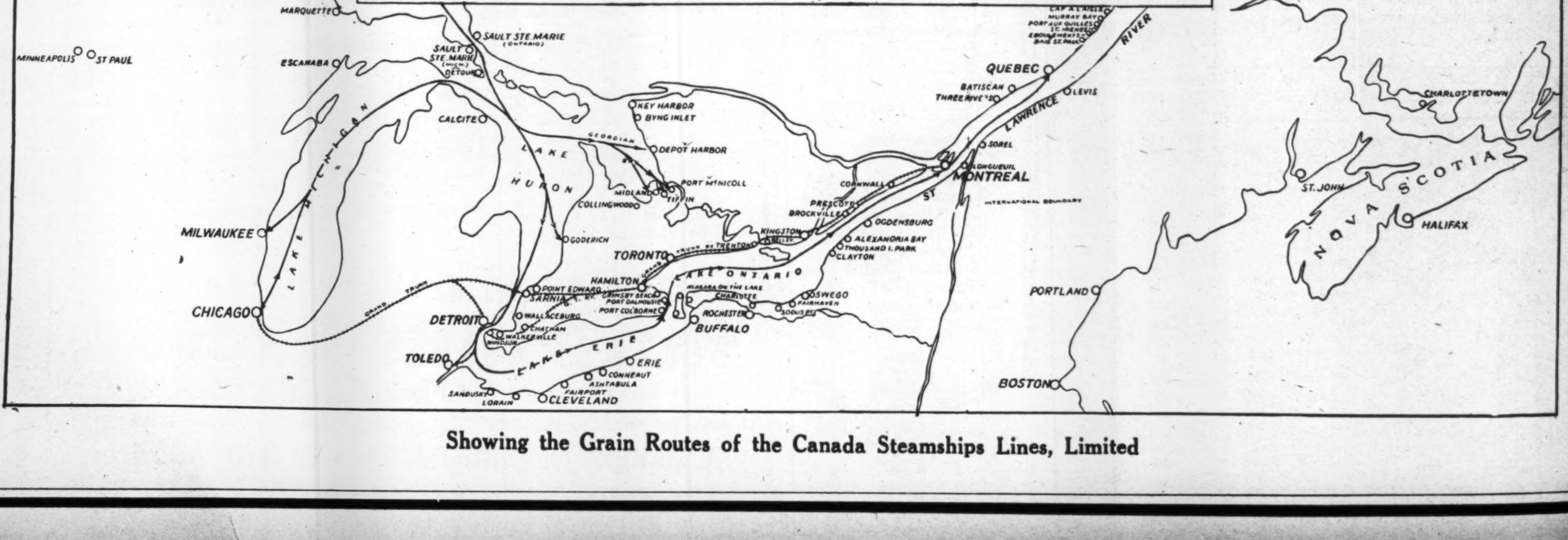
Predominant in Canada's inland seas—from the head of the Great Lakes down through the great traffic avenue of the St. Lawrence route—Canada Steamship Lines is in a position to render unparalleled service; and its movement of millions of bushels of grain has largely made possible the present low cost transportation.

The part played by Canada Steamship Lines in relation to the great grain trade of Canada is one of national significance—beneficial alike to the grain grower, the grain distributing organizations, the milling companies, and to the Canadian investor.

HEAD OFFICE: MONTREAL

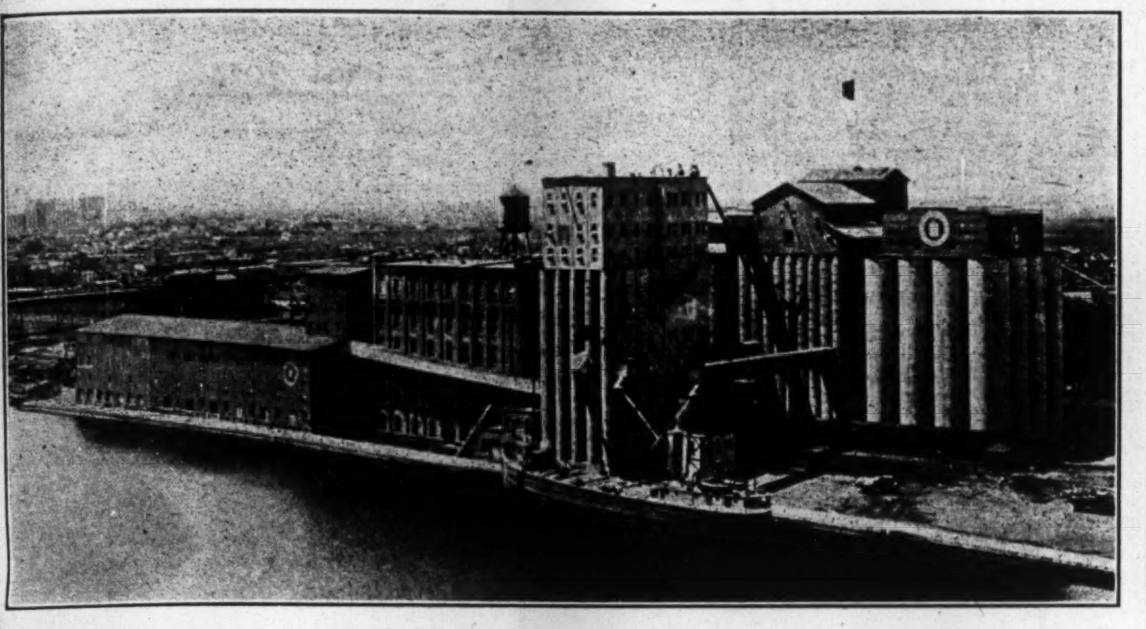


S.S. Lemoyne, pride of the Canada Steamship Lines, and the largest grain vessel in the world.


PORT ARTHUR
FORT WILLIAM
TWO HARBORS
DULUTH
SUPERIOR
ASHLAND
HOUGHTON
LAKE SUPERIOR
MARQUETTE
MINNEAPOLIS
ST PAUL
ESCANABA
SAULT STE. MARIE (ONTARIO)
SAULT STE. MARIE
DETOUR
CALCITE
KEY HARBOR
BYNG INLET
GEORGIAN BAY
DEPOT HARBOR
LAKE HURON
PORT McNICOLL
MIDLAND
TIFFIN
COLLINGWOOD
GODERICH
MILWAUKEE
LAKE MICHIGAN
CHICAGO
GRAND TRUNK
POINT EDWARD
SARNIA
WALLACEBURG
CHATHAM
WALKERVILLE
DETROIT
TOLEDO
LAKE ERIE
SANDUSKY
LORAIN
CLEVELAND
FAIRPORT
ASHTABULA
CONNEAUT
ERIE
BUFFALO
PORT COLBORNE
PORT DALHOUSIE
HAMILTON
TORONTO
LAKE ONTARIO
NIAGARA ON THE LAKE
CHARLOTTE
ROCHESTER
SODUS PT
FAIRHAVEN
OSWEGO
KINGSTON
TRENTON
CLAYTON
THOUSAND I. PARK
ALEXANDRIA BAY
OGDENSBURG
BROCKVILLE
PRESCOTT
CORNWALL
INTERNATIONAL BOUNDARY
MONTREAL
LONGUEUIL
SOREL
ST. LAWRENCE RIVER
THREE RIVERS
BATISCAN
QUEBEC
LEVIS
MURRAY BAY
PORT AU QUILLES
ST. IRENEE
BAIE ST. PAUL
MATANE
CHARLOTTETOWN
ST. JOHN
NOVA SCOTIA
HALIFAX
PORTLAND
BOSTON

Showing the Grain Routes of the Canada Steamships Lines, Limited

One of Canada's Great Milling Plants



The Ogilvie Flour Mills plant at Fort William.

Export Business in All Grains is Important to Canada

(Continued from page 57)

regularly charter ocean tonnage for themselves and call upon exporters to load this tonnage at some North American port. In other cases the exporter engages the ocean space and sells the shipment delivered on the other side. Again, an exporter may charter tonnage and ship a cargo unsold and, while it is on passage, negotiate a sale to an importer. This is a regular practice in long voyage trades, such as from the Pacific coast to Europe, but is only occasionally done in the North Atlantic trade because of the greater risk in the shorter time of not effecting a satisfactory sale before the vessel reaches port, when the cargo might have to be sacrificed.

Send Cables Every Night

Every afternoon, after the close of the market, exporters prepare a series of cables addressed to all importers in overseas countries who they think might be interested in purchases at that time. These cables are despatched every night, making firm offers of certain quantities of wheat at stated prices, these offers to hold good if accepted before a fixed hour the next morning. As Europe buys 80 per cent. of all the world's exports, most of the cables go to importers on that continent, and, because of the difference in time, the markets in Europe are open for several hours on the following morning before an answer need be sent to catch the opening of the markets in North America. If prices open stronger in Europe, a good proportion of the over-night offers may be accepted, but if prices open lower counter bids may be cabled good only for acceptance within an hour or two.

An exporter, therefore, must always know what quantities he can secure and move within a given time, just what his costs will be, and must be prepared to make almost instantaneous decisions. He is aware that in most cases other importers are cabling offers to, and receiving bids from, the same importers, and that the business will probably turn on the difference of a small fraction of a cent per bushel in the delivered price.

Exchange is Often Factor

In this delivered price there are important elements in addition to the primary cost of the wheat. One of the most important and variable of these elements is ocean freights. Changing freight rates on the Great Lakes is also a factor. The rates of international exchange on money, which may vary from hour to hour, must likewise be taken into account. Particularly since the war, many a sale has gone to the man who had closed with the most favorable rate of exchange. The successful wheat exporter must continuously operate successfully in three markets, the primary grain market, the freight market, and the money market.

The positions in which supplies are held are also of fundamental importance. If an importer wants prompt shipment, no exporter who has not supplies in such position that they can be moved in time to the proper ocean port can make the sale. Again, if an importer bids for, say, 60,000 bushels, it is obvious that space must be secured on a liner, because the quantity is less than a tramp load. If the only available liner is sailing from Philadelphia, supplies held at Montreal or New York cannot be used because of the extra cost of transfer. Supplies, therefore, must be placed and held in strategic positions so that they may be available at minimum cost for whatever business may arise. It is for this reason so much Canadian wheat is moved to Buffalo, from which point all the North Atlantic ports of the United States are easily accessible.

Import Wheat Only as Needed

Importing countries draw supplies as they need them for consumption. Europe, for example, does not attempt to accumulate in any part of the year sufficient foreign wheat to provide for the requirements of a future period. There are many sound economic reasons for not doing so. The main reserves actually controlled by Europe are found in the large quantities always afloat on the ocean for European ports. Exporting countries cannot, therefore, choose the times most convenient for themselves to ship their surpluses, but must accommodate themselves to the rate of consumption in importing countries. This rate varies with the price level, but at any particular level aggregate world shipments tend to be regular in quantity. The weekly aggregate may each week be composed of different proportions from different countries, but the countries supplying the largest quantities must most nearly conform to the rule of regularity. Canada's ocean shipments are more evenly distributed throughout the year than those of any other country. Canadian exporters must be prepared to ship large quantities in the months when the St. Lawrence and the Great Lakes are closed by ice.

To solve in daily practice all the intricate problems of the export trade and arrange all the details, demands high business capacity and it is a tribute to the system and to the traders that, except in war time, the world is never conscious of anxiety about its supplies of wheat and flour.

AUSTRALIAN WHEAT CROP LOWER

Latest estimates of the Australian wheat crop are in the neighborhood of 100,000,000 bushels, over 60,000,000 bushels below last season. The only state with favorable conditions is West Australia, where the crop is estimated at 35,000,000 bushels. In South Australia the estimate is 19,000,000 bushels; in Victoria, 20,000,000 bushels, and in New South Wales, 25,000,000 bushels.

Carling's Stock Rises; Product Demand Grows; to List Stock in U.S.

Listing of Shares in New York and Detroit Will Have Additional Favorable Effect in Improving Marketability—Export Market Source of Income

The stock of Carling's Brewery has risen in response to increasingly favorable sentiment in the last several weeks. The company's products are reported to be in great demand in Ontario and it is said that the demand in Quebec is growing steadily. The export market continues to be a source of income for the company.

It is reported that the stock shortly will be listed on the Detroit stock exchange and the New York curb. These listings will have an additional favorable effect in improving the marketability.

Carling's has been on the market for several months but the issue has been hovering a point or so below the offering price of $27 during most of the summer and fall. The fault was that the original offering did not find a sufficiently wide distribution, and the slightest tendency to rise was offset by a flood of selling orders. The issue was made, it will be recalled, when the banks were increasing their demands for margin on the liquor stocks.

This condition has been corrected gradually. The majority of the present holders are coming to view the stock favorably for a long hold and this view is reinforced by a not inconsiderable number who find the current yield attractive, especially when considered with the possibilities of the company. At $33, the $2 dividend is better than 6 per cent. This is an unusually high yield for an industrial stock in an improving condition at this time.

Kelvinator Business Grows

It is said that business of Kelvinator Co. of Canada is progressing satisfactorily since the re-organization of personnel which resulted in many changes in the factory at London, Ont. The company reports receiving contracts for several hundred individual units for Toronto apartment houses.

Charles Gurd and Company Have Excellent Season

From Our Own Correspondent

MONTREAL.—It is understood that the profits of Charles Gurd and Company for the current year are running at about 2½ to 3 times the common stock dividend requirements, which amount to $2 per share per annum. This summer the company experienced an excellent season and sales increased by over 25 per cent. The company is steadily bettering its liquid position and the satisfactory results being obtained this year will allow aggressive development work in 1928. The strength in the stock is due solely to the improving position of the company.

Canadian Converters Shares Sell at New High Level Price

From Our Own Correspondent

MONTREAL.—The shares of the Canadian Converters this week sold at a new high level price for all time. The appreciation in the shares is simply a reflection of the general market buoyancy with which, of course, must be coupled the fact that Canadian Converters appears to be working into a stronger and stronger position. Like the other companies in the textile group, Canadian Converters has made a habit of writing off generous appropriations before showing profits. This policy, coupled with the fact that there is no bonded indebtedness and the entire ownership of the company is invested in the common shares, makes the outlook for the stock more favorable. Canadian Converters, it is reported, has been enjoying a year of increased business.

AUTOMOTIVE CREDIT IS OFFERED STOCK

Credit Discount Corporation of U. S. Will Exchange Shareholders' Bonds

Credit Discount Corp. of America has made an offer to bondholders of Automotive Credit Corp., whereby one share of common stock of Credit Discount would be exchanged for each $100 bond of Automotive Credit.

Automotive Credit Corp. has ceased to pay interest on its bonds. A letter signed by Bruce Card, managing director, states that the present board of directors, on assuming charge some months ago, found assets frozen. It is said, further, that the proposed arrangement is in the interest of the bondholders and that the stockholders have turned over their interests to Credit Discount for $1.

$140,000 Bonds Sold

Credit Discount Corp. of America is reported to be paying $4 annually on its common stock. "Possibly in a year's time," says Mr. Card's letter to shareholders, "you will be able to realize on the new stock, which you will receive for your bonds, a sum sufficient to equal the par value of your bond."

Automotive Credit Corp. offered its bonds to the public, through Automotive Credit Sales Corp., Ltd. (since gone out of business), in June, 1926. Of the authorized issue of $200,000, about $140,000, it is reported, was sold, mostly in Ontario and Quebec. John Bridge was the first president, but a new management assumed charge in April, 1927.

The so-called bonds are not a mortgage, the company having no physical assets except office furniture and some claim on some real estate at London, Ont. The bonds bore 6½ per cent. interest and were sold with a bonus of common stock. In the first year, a total of 9½ per cent. was paid in dividends on bonds and common stock. The bonds are a first charge on assets and earnings of the company.

Did Non-Recourse Trade

Financing the time purchase of automobiles was the principal business of the company, which took over the assets of the Guaranty Acceptance Corp. The bonds were dated July 1, 1925, and are due July 1, 1945. Most other companies in this line of business finance through the sale of preferred stock, and a bond issue maturing in twenty years was criticized for such a purpose for the reason that many changes in the marketing of automobiles were probable before the bonds could be retired under the sinking-fund arrangement. The company did an exclusively non-recourse business; that is, the dealer selling the cars was not responsible after the credit company had assumed the risk of collection.

Robert McNish Company Issue Has Been Entirely Subscribed

From Our Own Correspondent

MONTREAL.—The $5,000,000, 6 per cent. debenture issue of the Robert McNish Company, Scottish subsidiary of Canadian Industrial Alcohol, has been entirely subscribed. The block of debentures made available to the shareholders of the parent company has all been taken up. The debentures at the issue price of $4.50 for each $5.00 par value debenture return a yield of 6 2-3 per cent.

Active Trading Photo-Engravers

Common stock of Photo-Engravers, Ltd., has been well received on the Toronto Stock Exchange, the trading being active above 31. The stock was issued at 29½ by McLeod, Young, Weir & Co.

INVENTIONS PATENTED
TRADE MARKS and DESIGNS Registered
YOUR ENQUIRY IS SOLICITED
W. IRWIN HASKETT, 12 Elgin Street, Ottawa, Canada
SOLICITOR OF DOMESTIC AND FOREIGN PATENTS.

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

Mr. J. R. Stratton, Mr. L. W. Hopkins and Mr. H. A. Hutson
Announce the formation of the firm of
Stratton, Hopkins & Hutson
Members Standard Stock and Mining Exchange
to carry on a general brokerage business, specializing in mining securities, with offices at
25 MELINDA ST., TORONTO 2
Telephone Adelaide 1306 & 1307

THE SHERWIN-WILLIAMS CO. of Canada, Limited

Annual Report of Board of Directors for the Year Ending August 31st, 1927

TO THE SHAREHOLDERS: On behalf of your Directors, I have pleasure in submitting the Balance Sheet of your Company, showing Assets and Liabilities at the close of its fiscal year, August 31st, 1927.

The usual examination of the books and accounts of the Company has been made by your Auditors, Messrs. Price, Waterhouse & Company, and their certificate and report is submitted herewith.

In accordance with our custom, Repairs to, and Maintenance of Properties have been charged to Operating Expenses, and the sum of $141,069.94 has been written off to Reserve for Depreciation. The total Reserve for Depreciation and Renewals of Plant now stands at $1,738,856.13 as shown on the Balance Sheet.

The earnings for the year ending August 31st, 1927, were $831,904.29, and have been dealt with as follows:

Reserve for Depreciation and Renewals of Plant	$141,069.94
Interest on Bonds	27,919.72
Dividends on Preferred Stock	240,450.00
Dividends on Common Stock	240,000.00
Pensions Paid and Long Service Awards	31,576.89
Provision on account of Income Tax	37,300.00
Balance to Surplus Account	113,587.74
	$831,904.29

In connection with the earnings, it may be pointed out that in accordance with the announcement of your Directors in the last Annual Report, the proceeds of the Company's investment in the Preferred Stock of Messrs. Lewis Berger & Sons, Limited, were applied in extinguishing the bonded indebtedness of the Company, which you will note is cleared from the Balance Sheet this year. The Gross earnings of the Company were, therefore, decreased by an amount equivalent to the dividends on this investment.

Following the conservative policy of your Directors, certain other expenditures in connection with the development of the business have been charged against the year's operations instead of distributing them over a longer period. The Lacquer Department has been placed on a most efficient basis, and generous provision has been made so that our organization is adequately equipped to develop this new and important branch of our industry. In addition to expenditures in this direction, it has been found necessary, owing to the expansion of the business, to open warehouses during the course of the year in Regina, Sask., Ottawa, Ont., and Saint John, N. B. The preliminary expenses in connection with the development of all the above mentioned facilities have been provided for out of profits for the current year.

All Inventories of raw and manufactured goods have been taken with the utmost care, and have been priced on the basis of cost or market, whichever proved to be the lower.

It is a pleasure to be able to refer again, as in previous reports, to the spirit of harmony and efficiency prevailing in all units of the organization and among its employees everywhere. Your Directors feel that in no small measure the continued prosperity of the Company is due to the loyal service of its staff. The demand for the Company's products on the part of the consuming public continues to increase, and with the evidences of prosperity which are apparent everywhere throughout the Dominion, your Directors feel that they may anticipate a continuance of the advancement of the Company in all its branches throughout the coming year.

Respectfully submitted on behalf of the Board.

WM. SHEPHERD FALLIS,
President.

Montreal, November 15th, 1927.

The Sherwin-Williams Company of Canada, Limited and Subsidiary Companies

Consolidated Balance Sheet, August 31st, 1927

ASSETS

Property Account—		
Land and Buildings. Leaseholds, Machinery and Equipment, Formulae, Trade Marks and Goodwill		$8,960,464.72
Investments in Capital Stocks of Other Companies		320,400.00
Current Assets—		
Inventories	$2,182,349.76	
Accounts and Bills Receivable, less Reserve	1,908,316.61	
Cash	1,041,100.77	$5,131,767.14
Insurance and Taxes Prepaid, Etc.		42,823.75
		$14,455,455.61

LIABILITIES

Capital Stock		
Seven Per Cent. Cumulative Preferred—		
Authorized—40,000 Shares of $100.00 each	$4,000,000.00	
Issued — 34,350 Shares of $100.00 each	$3,435,000.00	
Common—		
Authorized and Issued—40,000 Shares of $100.00 each	4,000,000.00	$7,435,000.00
Trade Accounts Payable and Other Liabilities		575,730.89
Balance Payable to the Carter White Lead Company of Canada Limited, on Current Account		665,048.96
Reserves		
For Depreciation and Renewals of Plant	$1,738,856.13	
For Pension Fund	20,000.00	1,758,856.13
Surplus as per Statement Attached		4,020,819.63
		$14,455,455.61

Consolidated Statement of Surplus and Profits, August 31st, 1927—

Earnings for the year ending August 31st, 1927, before charging Bond Interest and other Expenditures shown below and before making provision for Depreciation and Income Tax		831,904.29
Deduct—		
Pensions Paid to Retired Employees and Long Service Awards	$ 31,576.89	
Bond Interest	27,919.72	
Depreciation	141,069.94	
Provision on Account of Income Tax	37,300.00	237,866.55
		$ 594,037.74
Surplus at August 31st, 1926		3,907,231.89
		$4,501,269.63
Deduct—Dividends paid during the year—		
Preferred	$240,450.00	
Common	240,000.00	480,450.00
Surplus as at August 31st, 1927		$4,020,819.63

AUDITORS' REPORT TO THE SHAREHOLDERS

WE have examined the Books and Accounts of the Sherwin-Williams Company of Canada, Limited, and its Subsidiary Companies for the year ending August 31st, 1927, and have obtained all the information and explanations which we have required; and we certify that, in our opinion, the above Balance Sheet at August 31st, 1927, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Sherwin-Williams Company of Canada, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, November 2nd, 1927.

Approved on behalf of the Board,

WM. SHEPHERD FALLIS
WILLIAM C. COTTINGHAM, } Directors.

CANADIAN CANNERS WILL ASK SANCTION TO DIVIDE STOCK

Want Arrears Wiped Out and Issue of New Second Preferred Agreed To

Shareholders of Canadian Canners have been notified of the special general meetings of preferred and common shareholders for December 20th, at which they will be asked to ratify the scheme of arrangement whereby the preferred stock of the company will be cut in half, the arrears of dividends wiped out, a new second-preferred, non-cumulative stock issued to preferred holders in lieu of arrears and half their holdings and the common stock split six-for-one.

The formal notice is accompanied by a letter signed by Avern Pardoe, chairman of the board, which recites the advantages which will ensue from the adoption of the plan of the revision. The letter follows, in full:

Hamilton, Ontario,
November 15th, 1927.

To the Shareholders of
Canadian Canners, Limited

Dear Sirs:

You will find enclosed a notice calling special general meetings of the Shareholders of your Company to be held in Hamilton on December 20th, 1927.

The Directors of your Company have very carefully considered the problem of readjusting the capital structure of your Company.

At the end of 1927 the accumulation of unpaid dividends on the Preference stock will amount to 21½ per cent. At that time there will also be an accumulation on the Common shares of 17½ per cent., which would have to be paid before the holders of Preference and Common stock would be entitled to participate equally in further earnings.

When your Company was incorporated in 1923 the individual companies which became integral parts of your company had real estate, buildings and fixtures of such a large value that when the same were paid for in Preference stock of your Company, the issued Preference stock of your Company became four times greater than the amount of issued Common stock. This has militated greatly against your interests in many ways. First and foremost it has resulted in banking and other financial interests regarding the Preference stock issue of your Company as little better than a Common stock issue.

The proposed changes are, in the opinion of the Directors of your Company, very advantageous alike to both the holders of Preference and Common stock. In recommending the proposed changes for your confirmation the Directors of your Company are of the opinion that both the Preference and Common stock now outstanding will benefit in:

(1) Security.
(2) Income yield.
(3) Marketability.
(4) Prospects of dividend increase.

If the scheme of Arrangement is adopted a first quarterly dividend will be paid on January 1st, 1928, on the proposed new 6 per cent. Cumulative First Preference Stock, and a first quarterly dividend of fifteen cents will also be paid on the same date on the Convertible Preference Shares. This will mean that the present annual return to the holders of the existing Preference stock will be at the rate of $5.40 per share, or an immediate increase of 40 cents per share per annum.

All Shareholders are urgently requested to be present in person at the meetings called to consider the scheme or arrangement as these meetings should be made as representative as possible.

The Directors of your Company would appreciate it if you would sign and forward to the Secretary of the Company the enclosed proxy, as by so doing you would indicate that you are in favor of the scheme of arrangement. If later you can make it convenient to attend the meetings of shareholders your proxy will not be used and you will be requested to personally vote the shares owned by you.

Whatever criticism which may be levelled fairly at the plan proposed by the board under the leadership of Mr. Pardoe, the action of the stock indicates the probability that the shareholders will benefit from the scaling down of the preferred, and the giving up of claims by way of arrears and dividends. It has been pointed out by proponents of the plan that, in the long run, the shareholders benefit from a sound financial structure and a financial situation which gives the common hope of an early dividend.

The formal notice to the shareholders, after reciting what is the present capitalization of the company, explains the scheme of arrangement, as follows:

The authorized capital of the Company shall be altered so that it shall consist of three classes of stock as follows:

Fifty thousand (50,000) shares of 6 per cent. cumulative first preference stock of the par value of One hundred dollars ($100) each, Four hundred thousand (400,000) shares of convertible preference stock having no nominal or par value and Two hundred thousand (200,000) shares of common stock having no nominal or par value

1. Each two shares of preference stock now issued and outstanding and each two shares of preference stock now unissued shall be converted into one share of 6 per cent cumulative first preference stock and eight shares of convertible preference stock.

2 Each share of common stock now issued and outstanding and each share of common stock now unissued shall be converted into six shares of common stock having no nominal or par value.

3. Where a shareholder has an odd number of 7 per cent. cumulative preference shares he will receive in exchange for the odd share four shares of convertible preference stock and a fractional certificate to bearer representing one-half share of 6 per cent. cumulative first preference stock. This fractional certificate, when presented along with one other fractional certificate, will entitle the holder thereof to receive from the Company one whole share of 6 per cent. cumulative first preference stock.

The holders of the 6 per cent. cumulative first preference stock will have preference and priority over the convertible preference stock and over the common stock on any voluntary or involuntary liquidation to the amount of the par value thereof and any accumulated and unpaid dividends to the date of payment. Said shares will be subject to redemption at $105.00 and accrued dividends per share, or will be purchasable in the open market for redemption.

The convertible preference stock will have preference and priority over the common stock of any voluntary or involuntary liquidation to the amount of $20 for each share. Said shares will be subject to redemption at $20 per share on thirty days' notice from the company subject, however, to the right of the holder to elect to convert the same into common shares, share for share. Said convertible preference stock will also be purchasable in the open market for redemption. The maximum dividend payable in any year on the convertible preference stock will be $1 per share, and when the quarterly dividend thereon exceeds the rate of .60c. per annum, the convertible preference and common shares will participate simultaneously in any further distribution of earnings in the proportion of two for the convertible preference stock to five for the common stock up to the maximum of $1 per share each, after which all further distributions of earnings will be payable to the holders of common shares only.

The common shares will be entitled, on any voluntary or involuntary liquidation, to participate pro rata in the entire assets of the Company, after the holders of 6 per cent. cumulative first preference stock and the convertible preference stock have received payment for their shares as hereinbefore stated.

All classes of stock will entitle the holders thereof to one vote for each share held.

BRAZILIAN'S NET SHOWS BIG GAIN OVER YEAR AGO

Position Improves Despite Continued Adverse Exchange Comparison

Brazilian Traction in October showed an improvement in both its gross and net earnings, compared with October, 1926, despite the fact that the average rate of exchange was 14.19 cents the milreis, compared with 11.98 at present. The improvement over the previous year was $105,183, the gross earning figures this year being $3,305,659, compared with $3,200,476 a year ago.

A decrease in operating expenses, compared with the corresponding month of 1926, accounts for a greater increase in the net earnings than the gross earnings for October. This increase is $127,436. The aggregate net earnings for the first ten months of the current year are $190,544 less than in the previous year. It is expected, however, that this decrease will be more than overcome in the December figures.

Following are the figures in detail:

	1927	1926	1925
October, 1927—			
Gross earn. from oper. ..	$3,305,659	$3,200,476	$105,183
Oper. exp.	1,395,269	1,417,522	x22,253
Net earnings ..	1,910,390	1,782,954	127,436
Agg. gross earn. from Jan. 1 .	31,724,786	32,647,511	x922,725
Agg. net earn. from Jan. 1 .	18,394,841	18,585,385	x190,544

x—Decrease.

The figures for the past thirteen months follow:

1926—	Gross	Net	Net Inc.
October	$3,200,476	$1,782,934	$ 97,211
November ...	3,001,416	1,654,151	105,113
December ...	2,953,964	1,456,192	x258,226
1927—			
January	2,975,801	1,674,929	x117,359
February	2,876,573	1,614,573	x64,214
March	3,080,055	1,765,482	2,139
April	3,053,071	1,743,614	28,242
May	3,237,839	1,901,400	x49,208
June	3,197,303	1,910,223	x127,230
July	3,346,083	1,984,762	x6,044
August	3,358,938	1,990,203	27,849
September ...	3,293,117	1,899,196	x12,155
October	3,305,659	1,910,390	127,436

x—Decrease.

Twenty-one Years with Monarch Life

J. W. W. Stewart, vice-president and managing director of the Monarch Life Assurance Company, is receiving congratulations, as it was just twenty-one years ago that he took over the management of that company.

During these very active years Mr. Stewart has headed a company which has grown to an institution with over $50,000,000 of business in force and whose wide-spread activities extend from coast to coast in Canada.

Investment House Says Yields Will Decline

From Our Own Correspondent

MONTREAL.—While there has been much new financing in recent weeks, prices of investment securities continue their upward trend. Reviewing the situation in the Investment Survey, Warner and Company say: "It seems to be the consensus of banking opinion that the upward movement in bond prices and consequent decline in yields is destined to continue for some time to come."

"During the past few weeks, tax-exempt Victory bonds sold at levels where the yields were the lowest in their history. The strength in Government issues is due to the excellent showing made in the federal financial statements. In the first half of the present fiscal year, the net debt of the Dominion was reduced by over $70,000,000.

"The majority of the new issues, notably the Canada Cement Company 5½ per cent bonds have met with an excellent reception. There has been an increase in the buying of high grade Canadian securities for American account. All in all, the situation inspires confidence. It would therefore seem advisable for investors to purchase high grade corporation securities at current prices, especially long term issues, thereby assuring a substantial income return at a period when yields will in all probability be considerably lower."

Canadian exporters have unlimited opportunities to develop trade with South America, Panama, Cuba and Mexico, according to F. T. C. O'Hara, deputy minister of Trade and Commerce, who is now back at the capital after three months absence in the countries in question.

Canadian National Absorbs Maritime Switching Fees

D. O. Wood, general freight traffic manager of the Canadian National Railways, writes to The Financial Post, explaining some matters touched upon in the Maritime Province Number of November 18.

Mr. Wood calls attention to an obviously typographical error to the effect that the Canadian Pacific Railway handles 80 per cent. of the total traffic of the Maritimes. The Duncan commission brought out the fact that the Canadian National handles between 70 per cent. and 80 per cent. of the total tonnage of the three provinces.

Under the heading of "To Keep Gateways Open," an article stated "In some instances, due to switching costs, such action would result in higher rail rates for the Maritime shippers." In publishing the new tariffs effective July 1st last, the Canadian National have made provision for the entire absorption of any switching cost which might be incurred in making deliveries on the tracks of connecting railways at destination, including the Canadian Pacific.

Reference was made to the Saint John and Quebec Railway and the Kent Northern Railway as two lines now operated by the Canadian National Railways. This is correct so far as the Saint John and Quebec Railway is concerned, but the Kent Northern is owned and operated entirely independent of the Canadian National System.

Joins Investment House

MONTREAL.—Earl A. Siegrist, who is well known in local financial circles, has accepted an executive position with Williams, Partridge & Rapley, investment bankers. Prior to joining the firm, Mr. Siegrist was associated with Royal Securities Corporation for two years, and for the three preceeding years with Greenshields & Company.

James Richardson & Sons
Investment Bankers
Stocks and Bonds
Private Wire Connections throughout Canada and the U.S.A.
Members
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
Brandon Edmonton Winnipeg Moose Jaw Saskatoon

The
Willison Neely Corporation
Limited
DEALERS IN
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CANADIAN PACIFIC BUILDING TORONTO
MONTREAL LONDON HAMILTON OTTAWA

New Issue

As this issue has been over subscribed this advertisement appears as a matter of record only.

$5,000,000
Power Corporation of Canada, Limited
5% Thirty-year Convertible Debentures
Series "A"

Dated December 1st, 1927. Due December 1st, 1957

Principal and semi-annual interest (June 1st and December 1st) payable at par at the holder's option at any branch of The Royal Bank of Canada in Canada or at the Agency of the said Bank in the City of New York in United States Gold Coin, or in Sterling at the Branch of the said Bank in London, England, at the fixed rate of $4.86⅔ to the £ Sterling. Coupon debentures in denominations of $1,000, $500 and $100 with privilege of registration as to principal only. Convertible at the option of the holder at any time before December 1st, 1932, into the no par value Common Stock of the Company on the basis of one share of stock for each $100 par value of Debentures. Callable in whole or in part, at the option of the Company on any interest payment date on thirty days' notice at 105 and accrued interest at any time after December 1st, 1932.

TRUSTEE: Montreal Trust Company, Montreal

CAPITALIZATION
(On completion of present financing)

	Authorized	Issued
5% Thirty-year Convertible Debentures, Series A (this issue)............	....	$5,000,000
6% Cumulative First Preferred Stock $100 par value..................	5,000,000	5,000,000
6% Non-cumulative Participating Preferred $50 par value..............	5,000,000	2,500,000
Common Stock—(no par value)......................................	250,000 Shs.	200,000 Shs.

BUSINESS: Power Corporation of Canada Limited was organized under the laws of the Dominion of Canada and is primarily interested in the acquisition of the control of, or a substantial interest in, hydro-electric and public utility companies. In addition, in consideration of a management fee, it supervises the management of the properties it controls and provides experienced management and engineering services to other properties as well.

The Company owns the controlling interest in the following companies:

CANADA NORTHERN POWER CORPORATION LIMITED (which controls
Northern Canada Power Limited
The Quinze Power Company Limited
Northern Ontario Light & Power Company Limited
Porcupine Power & Telephone Company Limited
Great Northern Power Corporation Limited)
OTTAWA & HULL POWER COMPANY LIMITED (which controls
Ottawa River Power Company Limited)
EAST KOOTENAY POWER COMPANY LIMITED

Also a very substantial interest in the following companies:

SOUTHERN CANADA POWER COMPANY LIMITED
WINNIPEG ELECTRIC COMPANY (which controls Manitoba Power Company Limited)
DOMINION POWER & TRANSMISSION COMPANY LIMITED
FOREIGN POWER SECURITIES CORPORATION LIMITED

PURPOSE OF ISSUE: The proceeds of the sale of these Debentures will be used for the acquisition of the control of, or a substantial interest in, hydro-electric and public utility companies; but temporarily may be invested in other high-grade bonds and dividend-paying stocks.

ASSETS: The net assets of the Company including the proceeds from this issue, consisting of high-grade bonds and shares, and common shares of subsidiary companies, are in excess of $20,000,000.

EARNINGS: Net earnings of Power Corporation of Canada Limited for the fiscal year ended June 30th, 1927, aggregated $661,452, and for the twelve months ended September 30th, 1927, $933,349.68, or at the rate of 2.64 and 3.73 times respectively the interest requirements of these Debentures.

The foregoing does not include earnings which will become available through the investment of the proceeds of the present issue. Net earnings for the current fiscal year are estimated at $1,000,000.

COVENANTS OF THE COMPANY: The Company covenants that it will not issue any securities to rank ahead of these Debentures and that of its unissued common stock it will retain 50,000 shares of no par value to provide for the conversion of these Debentures. Additional debentures may be issued from time to time provided that the par value of the debentures issued and those proposed to be issued does not exceed 50% of the market value of the net assets of the Company at the time of such issue, and then only providing that the net earnings for the preceding twelve months are at least equivalent to one and one-half times the annual interest requirements on all debentures outstanding and on those proposed to be issued.

EQUITY: The present market value of the Company's Preferred and common shares ranking junior to these Debentures is over $21,000,000.

PROPERTIES: The Canadian properties which Power Corporation of Canada Limited controls or in which it is substantially interested are situated in the Provinces of Quebec, Ontario, Manitoba, Alberta and British Columbia. They have an installed capacity of 464,600 h.p., with an ultimate capacity of 747,600 h.p. and generated over 1,150,000,000 kilowatt hours during 1926. The population served is in excess of 1,000,000, and the gross earnings for the year ended June 30th, 1927, amounted to more than $14,680,000.

The supervision of the management of the various properties which the Company controls, or with which it may have a management contract, is under the direction of a competent technical committee, of which Mr. J. B. Woodyatt, Vice-President of the Company, is Chairman.

CONVERSION: Debentures may be converted at the option of the holder at any time before December 1st, 1932, into the no par value Common Stock of the Company on the basis of one share of stock for each $100 par value of Series "A" Debentures.

All legal details in connection with this issue will be passed upon by E. R. Parkins, K.C. The accounts of the Company are audited by Messrs. P. S. Ross & Sons.

Subject to ratification by the shareholders, and the approval of Counsel, these Debentures are offered when, as and if issued and received by us, at

Price: 98½ and accrued interest to yield about 5.10%

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton London, Ont.
Winnipeg Saskatoon Vancouver

The statements in this circular are not guaranteed, but are based on information which we believe reliable and on which we acted in purchasing these securities.

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BRANSON, BROWN & CO., LTD.
Formerly R. P. Clark & Co. Ltd.
VICTORIA B.C.
British Columbia Investments
All Stocks and Bonds
MEMBERS
Winnipeg Grain Exchange, Vancouver Stock Exchange.
Victoria Stock Exchange, B.C. Bond Dealers Association.
Correspondents: Messrs. Logan & Bryan.

Mara & McCarthy
Members Toronto Stock Exchange
Members Montreal Curb Market
Stock Brokers
297 Bay Street - TORONTO